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OFFICE CHIEF OF STAFF,
Am. Envoy Division
Mil. Int. Branch.

CABLE MESSAGE FROM AMERICAN AMBASSADOR AT
BUENOS AIRES, JANUARY 3 - 12 A.M. 2048-99 5-
JAN 17 1919 75

WAR DEPARTMENT

W.D.T.
Q.B.T.
S.M.

PARAPHRASE

Reference is made to Department's cable message of December 31, 12 A.M. A long and important editorial has been published in La Prensa under date of December 28th, which discusses the rights of the neutral powers and of the Argentine Republic especially, in the Peace Conference now approaching. The editorial declares that at present there exists among the nations of the world two tendencies of a conflicting character, one of these, which may be called the past historic tendency, to the victors belong the spoils; the other the policy of "forgive and forget", as proclaimed by the President of the United States in the fourteen points. The situation being unsettled an invitation was extended to the Spanish Prime Minister to visit Paris in order that he might take up the question of Spain. The general belief is that his visit resulted fortunately and he has consequently signally served the other nations which preserved neutrality until the close of the war as Spain did. The editorial suggests that in the Americas the questions which shall be considered by the Peace Conference are those such as the difference existing between Peru and Chile, between Colombia and the United States, and between Argentina and Great Britain.

regarding the Argentine rights to obtain the return of the Falkland Islands, but the doubt is expressed in the editorial whether the powerful nations concerned will allow these questions to come up for discussion, inasmuch as questions would then be raised which might cause agitation in Ireland, Panama and other countries.

The editorial proceeds to discuss at length the question of the free seas and the question is asked how it may be found possible to reconcile the declarations of the American Secretary of the Navy announcing an enormous naval program for the United States with the declarations of President Wilson on this point. The editorial concludes that the solution of this question will probably be that the United States and Great Britain together will control the seas. It is further stated in the editorial that the result of the Spanish Premier's mission has at any rate made this principle sure that the neutral powers will be allowed at least to take some part in the Peace Conference, and that, therefore, the Argentine government might at once select proper representatives with a view to their proceeding to Paris and coming into close contact with the delegates to the Conference in that city, where they should call on President Wilson and exchange views with the delegates of Spain and other powers who have been neutral. The

editor points out that the Argentine government, recognizing that the attitude assumed by Spain is a matter of importance, should follow in the path opened by Spain.

The press generally has criticized during the week past the President for not filling certain vacant posts. Special criticism is directed against the President for leaving the place of President of the Bank of the Nation vacant for a considerable period. Only on January 1 was the new President appointed, Doctor Apellaniz. At present it has not been found possible to gather a quorum of the Board of Directors.

On December 30 there was a statement published in the La Nacion that the government should at once make the new appointments, as by its inaction the most important Bank in South America is seriously injured.

On December 28, La Nacion complimented warmly the London Times special supplement translated into Spanish by La Nacion, which is entirely devoted to questions relating to commerce between South America and Great Britain. It is stated that it is not possible to give too much importance to the publication of this article as it indicates what great interest is already taken by British merchants in keeping up commerce with the Argentina Republic and in extending the commerce which

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was in existence at a date prior to the war

Occurrences in the Province of Mendoza are still the subject of press comment, and the fact that the interventor whom the President appointed has not so far proceeded to his post where he is urgently needed is severely criticized.

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JT/FPL

I Enc
OFFICER COMPT OF STAFF
Executive Division
M.I.D. Branch

2048-102
NOTED: M.L.S.

6161

WAR DEPARTMENT

SUBJECT: Questionnaire on Argentine Republic.

From: R.C.

No. 1533 Date December 21, 1918

Replies to No. _____ Date _____, 19

Pursuant to your M.I.D.M.I. 5-7 2048-68, October 22, 1918
there is presented herewith replies to the M.I.D. questionnaire
of above date and number.

(16 pages)

Binding Margin.

3
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Enc. 1
OFFICE OF THE CHIEF
OF STAFF
WAR DEPARTMENT
Washington, D. C.

2048-10.26

Subject: Questionnaire on the Argentine Republic. M.W.

R.C.

WAR DEPARTMENT

1533

December 31, 1918.

POLITICAL.

Question 1. General attitude of the various political parties toward the question of neutrality, and their relative strength.

Reply: The question of neutrality has been mainly a policy of the Argentine Government itself. It will be recalled that the Argentine Chamber of Deputies and the Senate, in 1917, both declared in favor of rupture with Germany (reported previously).

As to sentiment of the Argentine people, it can be said that about 90% are pro-Ally.

The principal political parties in Argentina are the Radicals (present government party), the Socialists (in Buenos Aires), and the Conservatives (the last government). In the Provinces the Radicals have split parties which are influenced by local situations therein.

The Radical party has recently met serious opposition among the Socialists, who carried the municipal elections in Buenos Aires; also with the Conservatives (Democrats) who have just carried the elections in the City of Córdoba, the seat of learning. The Radical party (now in power) cannot be called a non-rupturist party, as many of its leading men lead in the Congressional declaration for rupture of relations with Germany.

The Socialists in their recent campaign in the municipal elections (prior to the Armistice), condemned the present government for its policy of neutrality, and made capital of it. During the past eighteen months Socialist Deputies and the Socialist Senator very eloquently championed the cause of the Allies.

The Radical defeat in Córdoba (after the Armistice) is no doubt due to the bad odor in which that party found itself, in view of the present government's policy of neutrality and the fact that the "neutralist" President championed his Minister of War for the Governorship of Córdoba in these elections.

The Conservative party, which may after all be said to include everybody not a Radical or a Socialist, and which is known as the "old regime", makes much capital of the policy of neutrality of the present Radical Government, and uses this as its principal weapon in denouncing the existing government.

As to the relative strength of the parties, they may, at this writing, be regarded as about equal. With the split in the Radical party in the recent Córdoba elections, and the Socialist victory in the municipality of Buenos Aires, it is thought that the Radicals are about to break as a party.

Subject: Questionnaire on the Argentine Republic.

R.O.

1533

Dec. 21 1918.

POLITICAL

Question 2. What truth is there in the reports that the new alliance namely A.P.(Paraguay) C. has been formed to replace the A.B.C.

Reply: In the light of the formation of the "A.B.C." there has been no formation of an "A.P.C." unless secretly, and this is doubted.

The "A.B.C." has really been no more than a popular phrase. Brazil of course due to her declaration of war against Germany, occupies at this time a position quite separate and apart from Argentina and Chile, though very cordial relations still obtain.

The prevailing opinion here is that the recent exchange of special Ambassadorial visits between Chile and Argentina did much to cement a still closer relationship between the two Governments----especially the very recent visit of the Chilian Special Ambassador Bulnes.

As to Paraguay there is the belief expressed to me by men in position to know, that Paraguay is a political vassal of Argentina ready to follow and abide with the leadership of the Argentine Government.

This has no doubt given rise to the reports of the formation of an "A.P.C." for which there has been no known convention.

Subject:

Questionnaire on Argentine Republic.

R.C.

Dec. 21 1918.

1533

POLITICAL

Question 3. Are any revolutionary movements pending?

Answer: No.

Considering the temperament of these people surprise may indeed be expressed that the large pro-Ally majority in this country did not revolt against the present Government----especially during the period of highest excitement at the time of the declaration of the National Congress in favor of rupture with Germany. From time to time there has been individual talk of a revolt but nothing has transpired to suggest organization for such a purpose. The present Government appears secure in the Army and the police.

The police are on a military footing and have had previous Army service. The persistent strikes may be termed in a sense a social revolution and on some occasions the President has given his tacit consent to the attitude of the strikers and settled matters in their favor.

There are surely no organized revolutionary movements pending at this time.

I will add however that the only "cloud in the sky" is trouble that might arise were the President to again intervene in the Province of Buenos Aires. This province is the Queen Province of the Republic and richly populated. Governor Crotto, its governor, has recently been at "logger heads" with President Irigoyen due to the President's trying to govern the province himself. Crotto though a "radical" (present governing party) has not pleased the President with his recent attentions showered upon the Allied Ministers (England and Italy).

These attentions to the above ministers were given on the occasion of their separate visits to the Provincial Capital La Plata at which time Crotto received them with military honors and lauded the cause of the Allies.

Present indications are however that the difficulties between Crotto and Irigoyen will be patched up.

Subject: Questionnaire on Argentine Republic.

R.C. # 1533

Dec. 21 1918.

Question: COMBAT.

1. Facilities for manufacturing arms and ammunition.

Reply: The Argentine Government maintains three military arsenals as follows:

- a) "Arsenal Esteban de Luca" or Arsenal Principal located in the city of Buenos Aires;
- b) "Arsenal San Lorenzo(Puerto Borghi) near city of Rosario;
- c) "Arsenal Jose Maria Rojas" on the Rio Cuarto, Province of Cordoba.

ARSENAL "ESTEBAN DE LUCA" (BUENOS AIRES)

This arsenal has a plant . machinery for performing the following work: casting of statues, cylinders for marine engines, gun mountings, and a general foundry. The plant has five furnaces which use petroleum. Two of these furnaces are revertible. Other features of this plant are a carpenter shop for the complete manufacture of vehicles and carts for the ammunition supply and sanitary field trains, cabinet making; the making of military pontoons and bridge material, lances(wooden) for cavalry and gun stocks for rifles and carbines. There are also shops for repair of saddles and harness and the repair of the personal equipment of the soldier.

As to production of arms and ammunition---this arsenal has facilities for the complete repair of rifles, carbines, machine guns, field and heavy artillery. There are no facilities for the manufacture of artillery or small arms. As to the Infantry rifle and carbine this arsenal can turn out all parts excepting the barrel. There is a large shop however for boring and rifling and this shop is now commencing work at boring out solid gun metal bars for Infantry rifle barrels. These bars(80,000) were purchased some years ago from Germany. An important feature of the Arsenal is the manufacture of a new rear sight for small arms, the change being necessary due to the substitution of the new sharp point bullet for the rounded nose.

Ammunition: This arsenal is equipped for cartridge case and bullet making for small arms. No attempt is made at the making of artillery ammunition. Owing to lack of the raw material, this country must import the powder, lead, nickel and copper discs for the making of the small arms cartridge. This arsenal takes much pride in its machinery for stamping out brass cartridge cases and nickel jackets for bullets, some of which machinery was made in this arsenal. The machines for stamping out cartridge cases and bullet jackets and leaden bullets occupy a floor space of about 50 x 150 yards. There are thirteen machines for powder filling, priming and insertion of the bullet. During my visit three of these machines were in operation and the remainder held in reserve. In this arsenal are the necessary chemical laboratories and the armory for testing accuracy of small arms. Within the arsenal grounds are large deposits of field artillery (Krupp --- Argentine model) vehicles for the train, small arms, target material, ammunition, saddles and harness.

The guard over this arsenal consists of two machine gun companies.

"ARSENAL SAN LORENZO" PUERTO BORGES

This arsenal is equipped with foundries and a plant for turning out artillery projectiles. The class of projectile is shrapnel and shell of 75 mm., 10.1 centimeters, 13 centimeters and 11 centimeters. All the material for the manufacture of ammunition must be imported and there is now on hand in this arsenal the following quantity of high grade refined steel which was purchased from Germany: 130,000 cubes of 7.3 centimeter and 10.5 centimeter dimension. This product is pressed into the necessary elongation for the making of the projectile. There is also in this arsenal (purchased from Krupp) a great store of parts for assembling into shrapnel.

"ARSENAL JOSE MARIA ROJAS"

This arsenal is used as a storage depot for army equipment.

It will be noted that the arsenals do not produce harness and saddles.

This equipment is purchased almost entirely from the large local plant of Casimiro Gomez which manufactures from Argentine raw material the quantity of equipment desired by the Government.

--- General Remarks.---

All artillery, machine guns and small arms now on hand have been purchased in Germany. The artillery is "sistema Krupp", and the small arms the "mauser" --- both stamped "Modelo Argentino". Argentina cannot produce this armament owing to lack of raw material. She can keep her field pieces and small arms in good repair, and can turn out a hand rifle excepting the barrel.

All material for artillery and small arms ammunition must be imported including powders. After importation of the metal, Argentina can turn out the finished ammunition. Sabers, tentage and pistols are imported.

Attention is especially called to the fact that from material procured at home, Argentina manufactures in her arsenals a splendid type of wheel transportation for the trains as well as excellent pontoon bridge material.

From the above it will be seen that Argentina is greatly handicapped by the lack of raw material and must rely entirely upon importation of the essentials for armament.

Subject: Questionnaire on Argentine Republic,

R.C.
A/o 1533

Dec. 21 1918.

COMBAT

Question 2. Present status of aviation?

Reply:

Please see my "Report on Aviation in the Argentine Army" #1133, April 29, 1918, also #1207 June 10, 1918.

The school still maintains the same active interest in aviation and continues to experience the "up-hill" fight for necessary appropriations for its improvement.

The school has just acquired five new machines from France, two by purchase and the remaining three as a gift. The machines presented by France are Nieuports of 175 H.P. and have not as yet been unpacked.

These additional machines added to those previously reported by me and including two more machines recently constructed at the school brings the number up to 30 machines, six of which the Director states are in a status of repair.

A recent editorial in a leading Buenos Aires paper calls attention to the fact that it is a crime that the Argentine aviators are permitted to continue to fly in the present machines at the school in view of the advances that have been made in aeroplane construction in Europe.

Aviation, machines and personnel are still centered at the Aviation School and aside from the few additional machines acquired, the status of Aviation remains as reported in my 1133.

Subject: Questionnaire on Argentine Republic.

R.C.
No 1533

21 Dec. 1918.

----- COMBAT -----

Question 3. Recent changes in the Army?

Reply: Please see my report on "Organization of the Army of the Argentine Republic #892, May 28, 1917 and #1138 May 1, 1918.

Changes in the Army since the report of May 28, 1917 are those as indicated in my report 1036----February 13, 1918.

Roughly speaking the changes are the creation of three new cavalry regiments #10, 11 and 12; one regiment of "Gendarmeria" and two "escuadrones de ametralladoras" (machine-gun troops) one of which is pack and the other vehicle drawn. These new units were created by transfers from existing regiments of cavalry.

The two new machine gun units are independent of the usual machine gun section belonging to a cavalry regiment.

There was also created one "group" (two batteries) of horse artillery.

Further changes enumerated in the above report are simply changes in the designation of the Engineer organizations---for example Battalions 1 to 5 of engineers are changed to 1st to 5th Battalions of "Sapper-Pontoniers". Battalion 6 of Engineers changed to "Battalion of Railwaymen" etc. etc. (see report 1036, Feb. 13, 1918.)

Other army changes have been announced in Boletin Militar (2nd part) #1253, Oct. 28, 1917 copy of which was forwarded to M.I.D. on Nov. 9, 1917. These changes announced a reorganization of the cavalry into six brigades---and also announce the brigade headquarters as follows:

1st Brigade. Hdqrs. Buenos Aires 1st and 8th Regiments of Cavalry (1st Division).

2nd Brigade: Hdqrs. Zapala (Territory of Neuquen) 2nd Regiment of Cavalry and 4th machine gun troop, 10th Regiment of Cavalry (2nd Division).

3rd Brigade. Hdqrs. Concordia. 3rd Regiment of Cavalry, 1st Machine gun troop, 6th Regiment of Cavalry (3rd Division).

4th Brigade. Hdqrs. San Rafael (Prov. of Mendoza) 4th and 7th Regiments of Cavalry (4th Division)

5th Brigade. Hdqrs. Salta. 5th and 12th Regiments of Cavalry (5th Division).

6th Brigade. Hdqrs. Paso de los Libres, provisionally in Formosa territory, 9th and 11th Regiments of Cavalry (3rd Division).

The Regiments of Gendarmeria to garrison the territories of the Chaco and Formosa, depending on the 3rd Division of the Army.

Subject: Questionnaire on the Argentine Republic.

R.C.

1533

December 21, 1918.

COMBAT.

Question 4. Morale of the Army?

Reply: During a period of two years observation of this army I believe its morale to be excellent. This is bred of love of country and an intense patriotism.

The discipline is excellent.

Officers and non-commissioned officers from highest to lowest grades take their profession most seriously.

There has been some ugly talk that some years ago when trouble was threatened with Chile, hundreds of young men left the country for Montevideo, Uruguay, to escape military service, but these were men who had never received military training and its inculcations.

It is thought that the 160,000 trained men between 20 and 30 years of age, who now constitute the standing army and the reserve, will give a splendid account of themselves when the time comes.

Officers and men appear to be satisfied and there is little grumbling.

Subject: Questionnaire on Argentine Republic.

R.G.
No. 1533

21
Dec. 1913.

----- ECONOMIC -----

Question 1. Why are strikes so persistent in Argentina?

Reply: The persistency of strikes here I believe due to several causes among them the high cost of living with the resulting demand for higher pay; the presence of about 100,000 working class Russians in the republic among whom the recent turmoil in Russia has had a disturbing influence; the presence of anarchists and "professional agitators" whom it has been proven have at times created a reign of terror and have forced hundreds of contented men into the lines of the strikers; and it can be safely said that these professional agitators and strike leaders have been in German pay during the last two years of the war with a view to causing strikes which would hinder the rail transportation of the crops and the packing of meat destined for the Allies.

Subject: Questionnaire on Argentine Republic.

R.C. # 1533

December 21, 1918.

ECONOMIC.

Question 2. Has Argentina imposed an income tax, and if so, what are the rates, scales, and amount of incomes taxed?

Reply: A project law for an income tax has recently been drawn up by the budget committee of the Argentine Chamber of Deputies, and will be pladed before the Federal Congress which will convene the latter part of this month (December 1918). Herewith is a table of rates of tax upon incomes. All amonnts herein given are M.N. (Argentine paper dollars and cents). \$1.00 M.N. equals 42 cents U.S. currency approximately.

"Article 17. The tax shall be arrived at by reckoning as one tenth, the fraction of taxable income comprised between \$2500 and \$10,000 m/n.:

Two tenths, between . . .	\$10,000 and	\$15,000 m/n.
Three tenths, between . . .	\$15,000 and	\$20,000 m/n.
Four tenths, between . . .	\$20,000 and	\$25,000 m/n.
Five tenths, between . . .	\$25,000 and	\$30,000 m/n.
Six tenths, between . . .	\$30,000 and	\$40,000 m/n.
Seven tenths, between . . .	\$40,000 and	\$60,000 m/n.
Eight tenths, between . . .	\$60,000 and	\$100,000 m/n.
Nine tenths, between . . .	\$100,000 and	\$150,000 m/n.
and as a whole number anything beyond . . .	\$150,000 m/n.	

To the figures thus obtained shall be applied a tax of 10 per cent. (The effect of the foregoing is a sliding scale tax on the incomes stated varying from a lowest of 1 per cent to a highest of 10 per cent.)"

For a full english translation of the entire project, see page 1370, of the "Review of the River Plate", November 29, 1918, copy of which was forwarded to the M.I.D. on December 4, 1918.

Subject: Questionnaire on Argentine Republic.

R.C. # 1533

December 21, 1918.

ECONOMIC.

Question 3. What is the condition of the railroads as regards tracks and rolling stock?

Reply: Please see my report #861 "Argentine Railways" March 26, 1917, for a full description of the Argentine Railway systems. As to tracks their general condition can be stated as excellent and well maintained.

As to rolling stock, the locomotives are efficient and kept so by well equipped shops. As to cars, both passenger and freight, the same cannot be said. Many cars, both passenger and freight, bear evidence of hard and continuous usage during long periods, without even a freshening coat of paint.

Subject: Questionnaire on the Argentine Republic.

R.C.

1533

December 21, 1918.

ECONOMIC.

Question 4. Purchase of oil properties in or near Argentine by Germans and Austrians, or by Swedes, Norwegians, Dutch or Swiss, which might have been made in the interests of Germany? Is there anything which would connect such purchases with German efforts to establish submarine bases?

Reply: Please see my report #1405, Oct. 9, 1918, "Comodoro Rivadavia - Argentina - Oil Enterprises". With reference to reported German and Austrian activities in exploiting oil fields for the purpose of establishing a German submarine base in Argentina, it is quite evident that the matter was under serious consideration by the enemy. See interchange of reports in which Kinkel figured, also the plans laid in Stockholm. Had the war lasted longer, the enemy might have continued his efforts with some fair prospect of success, owing to the remote situation of South Argentina. The greater part of the oil district in Argentina is state owned and operated. Capt. Fleiss, of the Argentine Navy, who is the resident director of the State oil wells at Comodoro Rivadavia, is of Austrian descent, and strongly pro-German, and he could have closed his eyes to many things.

Oil perforations in Argentina exist only in the Comodoro Rivadavia district, although there is the presence of petroleum in other parts of the country.

Outside of the Government owned fields at Comodoro Rivadavia are the holdings of several private companies, which are Argentine. These companies are as follows: "Astra"; "Cia. Argentina de Comodoro Rivadavia"; "Sindicato Pozo de Menendez"; "Petroleo Argentino de Algarrobo"; and "El Petroleo Argentino de San Rafael". These companies could easily have German stockholders, or the Argentine directors could easily be German sympathizers. As to purchases of oil properties by the countries named in the question, I can obtain information only regarding a Norwegian Company which was being promoted by one Alberto Schwartz, a Norwegian, pro-Ally. The capital was Norwegian and the shares held by a few, mostly shipowners. It is understood that Schwartz has been waiting for oil boring machinery from the United States to start the work. It is learned also that about one year ago one Johnson, a Swede, tried to open up some oil properties, but failed.

In October of this year it was reported by a visitor to Patagonia that there were many Germans, Dutch, Swedes, Boers etc. in that locality, but that there seemed to be nothing to the submarine base story. It is my belief and also that of my British and American naval colleagues in Buenos Aires, that the project for the establishment of German fuel bases in Southern Argentina made little if any headway.

Subject: Questionnaire on the Argentine Republic.

R.C.

1533

Dec. 21 1915.

PSYCHOLOGIC

Question 1. Is there any effort by Americans as a group to promote the American cause in the War?

Reply: As an entire group, no.

The Americans have three principal organizations in the Argentine, namely the Society of American Patriotic Women, the American Commercial Club, and the Society of the River Plate.

Since commencement of the War these societies have each in themselves done much to promote the American cause in the war.

The Society of American Patriotic Women has done much to emphasize our cause among the Argentine people through its Red Cross Bazaars which were carried through with such completeness and enthusiasm as to leave no doubt as to our determination to win. These bazaars were largely attended and patronized by Argentines who gave their money freely.

The American Commercial Club and the Society of the River Plate have on suitable occasions given functions at which our cause was promoted and expressed in speeches which came to public notice through the press.

All of the above societies have given or participated in numerous Red Cross entertainments in various theatres. These entertainments through appropriate music, tableaux and motion pictures have promoted our cause and were largely attended by Argentines.

The splendid showing of the Americans in their subscriptions to the Liberty Loans and to the Red Cross impressed the Argentine people with our determination.

The conspicuous and profuse display of Liberty Loan and Red Cross posters in the windows of all American business houses have been keen factors.

Subject: Questionnaire on the Argentine Republic.

R.C.

153

Dec. 21 1918.

PSYCHOLOGIC

Question 2. Are there considerable colonies of Americans in particular places, or are they scattered throughout the country?

Reply:

The great American colony is of course centered in the city of Buenos Aires.

The only other colony of Americans is in the city of La Plata near which are located the meat packing plants of Swift and Armour, and all the Americans in La Plata may be said to be employed in these two plants.

There is a very thin scattering of Americans in other localities throughout the republic, but not of sufficient number to merit the name of a colony.

As to number of Americans in Argentina please see my reports #1451 November 8, 1918 and my 1473, November 26, 1918.

Subject: Questionnaire on the Argentine Republic.

R.C.

1533

December 21, 1918.

PSYCHOLOGIC.

Question 3. Are the people of the Allied nations brought together in any organized effort to create pro-Ally propaganda in the Argentine?

Answer: Yes. In June of this year there was organized here an Inter-Allied Chamber of Commerce, consisting of representatives of the American Commercial Club, British, French, Italian, Japanese and Belgian Chambers of Commerce.

At this writing an American Chamber of Commerce is being organized from the American Commercial Club.

The President of this Inter-Allied Chamber of Commerce is the President of the British Chamber of Commerce, and the Treasurer an American.

This Inter-Allied association has for its object the furtherance of the commercial advantages of the Allies over the Germans and in short the pursuit of an Allied Commercial propaganda.

As to the creation of general Allied propaganda in the Argentine, the principal Allied nations here, such as Great Britain, the United States, France, and Italy, have their own organized societies, such as the American Society of the River Plate, etc. which societies create a propaganda. In addition to these societies, the various Allied nations here have their special propaganda representatives, more or less on the order of our local representative of the Committee on Public Information. For methods of propaganda adopted by all nations in Argentina, including the Germans, please see my report # 1099, April 9, 1918.

OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

FEB

MID.

1919

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NOTED: M.L.K.

WAR DEPARTMENT

Cablemessage from the American Ambassador at
Buenos Aires.

NOTED
A.B.T.
M.I.-1

January 24, 11 a.m.

(Paraphrase).

There has been much discussion during the past week in the newspapers concerning the strike and the attitude assumed by the Government in respect to it. The Government has been accused, by the papers in opposition, of encouraging the masses of the population to hate foreigners, who have been charged by the Government with being the cause of the disturbances which have recently taken place. In its issued of January 20th, LA EPOCA editorially maintains that it is the interest neither of the Argentine people nor the Government to allow foreign elements to be incorporated into the country bringing with them their inherited hatreds and which desire to avenge wrongs entirely unconnected with

the

the Argentine Republic. It adds that it is the duty of the Government to drive such foreign elements out and to punish them in accordance with the laws of the country. No evidence of Xenophobia can be seen in the government following such a course. The same paper in its issues of January 18th and 21st printed long editorials stating that, while the right of strike is recognized by the Government as a recourse which becomes necessary if it is peacefully exercised, yet the Government has not permitted and will not permit excesses or to be taken place/committed by any one. The paper adds that the whole nation knows what harm will be produced by a new strike and that the workmen must come to understand this or they will no longer have any public sympathy.

An editorial printed in the issue of January 22d of LA NACION makes an attack on the Government as customary, charging that it is insincere and unwilling to carry out the program which, before it assumed government, it had outlined. This editorial declares that in the provinces generally the condition of affairs has

has become worse than it was during the period of the regime and it makes reference to the way in which the Radical party has split, which division is growing worse from day to day, the division being caused by the fact that men of ability and standing in the party have drawn apart from those leaders who are merely endeavoring to get, at the public expense, what they can for themselves. A long article has appeared in the issue of January 22d of LA RAZON on the subject of the League of Nations, in the course of which article, an article appearing in Collier's Weekly is quoted. Both papers seem to agree in the opinion that for European countries, the League of Nations might be useful but that the nations of America, and especially the United States, would have no benefit from it. On the other hand, an editorial in the issue of January 20th of LA NACION declares that while the general idea was, a few months ago, that the League of Nations was a utopian idea dreamed of by one noble in character, but not acquainted with either the politics and peoples of Europe or with

Europe

Europe itself, yet in his speech of September 27th, Mr. Wilson has set forth a conception of the League fully and completely in terms which are clear and concrete. This editorial goes on to state that the plan of the League has been unanimously accepted by the Allies and that at the Conference the discussion of it will soon be initiated but only the details thereof, since the triumph of the fundamental idea has already taken place.

MIDV

FEB 10 1919 54

Cable Message From the American Ambassador at Buenos

Aires.

January 31, noon.

OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

TE 191

NOTED
C. B. T.
M. I. L.

(Paraphrase).

NAR DEPT

Message is marked important.

The newspapers during the week have mainly devoted themselves to discussing, as a question of international interest, the instruction issued to the Argentine Minister at Paris by the Foreign Office of Argentina directing him, at all times, to support President Wilson's plan for a League of Nations. Most of the papers comment favorably on the instruction but so far no reference whatever has been made to it in the official newspaper. There have been two editorials in the issues of January 30th and 31st of the LA MANANA, the opposition newspaper in which criticism is directed to the policy in international affairs pursued during the war by the present administration. These editorials declare that after President Irigoyen stood aloof from the Allied Powers for four

years,

years, during their struggle for liberty, it is absurd that he should now attempt to lay his views before the Paris Conference. The editorials further declare that the only reason definitely known for the declination of President Irigoyen to take part with the Allies was that in matters of foreign policy, Argentina could not follow the lead taken taken by the United States, which reason was ridiculous in character. LA MANANA points out that the most vital interests and sentiments of the United States were injured and offended by the LUSITANIA tragedy and the subsequent piracy of which that tragedy was the precursor, and that it was then the United States was proud to defend against the attacks of Germany the rights of all neutral nations. The Argentine Government, it says, should have been forced by the tradition of the solidarity of the American countries to assist with its strength the political defendants of Washington and Lincoln, but instead the President of the Argentine Republic apparently felt

felt himself more closely bound to the forces of the Central Powers, then triumphant, either because he was in fear of them or because he undertook to carry out the weak pretense of a policy regulated by opportunism so that on the pages of Argentine history, in which armies have hitherto always been raised to promote the cause of liberty in America, was now written the story of the adoption of neutrality as a cowardly refuge.

Through such a course, President Irigoyen thought that the sovereignty of Argentina could be saved. Now, however, after the troops of the United States have, by the sword, obtained a victory which the Princeton University Professor could not secure by the use of the pen, and when the Government of the United States has become the arbitrator of the world as a result of this magnificent victory, at a time when a European fleet salutes as crusaders of a new humanity the American troops, forth from his retreat comes the President of Argentina and, with a gesture of humility nauseating in character, implores the great President to let him

take

take at his side a humble position. Generally in their editorials, the press has indulged in this line of criticism, although not always so outspoken.

The Senate rejection of the plan of declaring a state of siege has been generally favorably commented on by the press except by the official newspapers. In its editorial of January 31st, LA PRENSA states that generally the feeling seems to be that martial law is too dangerous for use in democracies.

The papers have also commented and speculated a good deal as to the reasons which have prevented the BAHIA BLANCA, a national transport from sailing from the port. LA RAZON, in its issue of January 30th in a long editorial, concludes that the international status of the vessel nor any objection on the part of the Allied Governments to its transfer to Argentina are not concerned with the failure of the vessel to sail. It is stated in the editorial that between the dates of August 18, 1914 and March 3, 1915, the flag of the United States was adopted by 116 British,

Belgian

Belgian, and German vessels under conditions which resemble exactly those existing in the case of BAHIA BLANCA and, therefore, the Government of Argentina has merely acted, in purchasing the vessel, in a way employed by Great Britain and the United States many times during the war. The editorial goes on to state that it is impossible, on that account, that Great Britain and the United States could make any objection to the vessel in question freely navigating the ocean, without showing, in a signal way, that they are not friendly to the Argentine Republic. On January 29th LA PRENSA also discusses this question but does not reach the same conclusion. It declares that the matter should at once be taken up by Congress and the executive power should be compelled to explain the matter.

JT/RKH Di-S

REC'D U. S. A. MAR 29 1919

Number of copies..... 3

Copy No..... 1

OFFICE OF THE STAFF
SIGNALS DIVISION
TELEGRAMS

7 APR 2048-109 61

Sgt. M. J. D. NOTED: M.H.S.

MAR DEPARTMENT

SUBJECT Revolutionary situation in Argentina--past and future.

CAPT. TOWNSEND
M.L.B.

From R.C.

COMBAT

No. 1569 Date February 3, 1919.

Replying to No. Date, 19

With reference to the outbreak in Buenos Aires from January 7th to 15th 1919 the following is a translation of a report sent out today to the Allied colleagues by the Italian Legation.

"Very confidential. Resumé of conversation held between General Dellepiane and a person held in highest esteem by Italian Legation.

The authors and promoters of movements which took place in Buenos Aires between the 8th and 18th of January, were Argentine police officers who had been pensioned off. These intermediaries were sub-officers of the police force who had been discharged some time ago and the latter were able to enlist the sympathies of many policemen. It had been arranged that some revolver shots from without the Central Police Department would give the signal to the rebels within. And things did happen as described. It was only due to certain policemen faithful to General Dellepiane that he was notified by telephone of the situation and thus the general was able to arrive at the Department unexpectedly, change the current of events and overcome the intended dereliction of duty of the police. On the terrace of the Police Department already outsiders had been introduced, and the police and their accomplices were aware of this. There were certain University students there who are known to General Dellepiane, but whom he has not wished to denounce. These men were able to escape due to the general state of confusion. General Dellepiane was able to prove that high officials of the police force as well as the police officers had hidden themselves away in sure places.

The General spoke in words of disdain and protest to the President of the Republic against the numerous persons surrounding the President whom, the General says, are unworthy to be his friends and advisers. The General himself denounced the Minister of the Interior, Dr. Gomez, whom it appears behaved in a crooked and false fashion; General Dellepiane states that it was Dr. Gomez' fault that rows and disorders took place at the meeting places of the workmen while he (Dellepiane) was engaging in the pacification of the men.

General Dellepiane is of the opinion that the revolutionary movement will be repeated."

RECD. M. I. S. O. C. S. MAR 29 1919.

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8 Encls.

OFFICE CHIEF OF STAFF
Executive Officer
OO MD. Int. Branch.

22048-112

A TRIP FROM

BUENOS AIRES TO BARILOCHE, RIO NEGRO (Argentina).

1st Copy
Pls do it
R.C.
with J. G.
M. 1586

WAR DEPARTMENT

4195.MT4F

Captain [unclear]
M. I. A. F. 176

February 12

19.

The following interesting report was submitted by Miss McCrudden of this office upon her return from this trip in January 1919.

On leaving Buenos Aires via the Southern Railway (Ferrocarril Sud) the province of Buenos Aires is crossed in a south-westerly direction. Trains leave Buenos Aires every evening at 6.38 p.m. and arrive at Bahia Blanca (Prov. of Buenos Aires) the following morning at 9.25 a.m. However, only once a week is there a train in combination with the one to Neuquen (territory of Neuquen).

The distance from Buenos Aires to Bahia Blanca is 640 kilometers and cost of fare to Neuquen is \$59 m/n (or \$118 m/n with return). On arrival at Bahia Blanca, passengers and luggage are transferred to the Neuquen train which leaves from the same station at 9.50 a.m. The distance from Bahia Blanca to Neuquen is 554 kilometers and is covered in 13 or 14 hours. The region crossed is a sandy desert, but wonders have been wrought by irrigation.

The town of Neuquen, and capital of the territory of that name, has a population of about 3600 inhabitants. It is a small progressive centre of considerable commercial importance. The streets are covered with sand and in summer the heat is practically unbearable.

There are three automobile lines running from Neuquen to Bariloche (territory of Rio Negro, Argentina); the Government line, with 5 Mercedes (German) cars and one F.N. (Belgian); "La Veloz" company, which also has 5 cars of the same kind and "La Rapida" company. The latter has only one or two F.N. (Belgian cars).

The automobiles of the different lines leave Neuquen on Mondays. The number of cars is regulated by number of passengers. The fare per passenger is \$100 m/n (\$42.00 U.S.) from Neuquen to Bariloche and return is, of course, double that amount. Three trips monthly are made in winter (to Pilcomayo only) and four in summer as far as Bariloche.

There is a railway line running from Neuquen as far as Zapala. This line was inaugurated in 1915 and cost over three million pesos to build. However, it has only a length of 187 kilometers, and up to the present cost of materials has made any extension prohibitive.

Another line has been built by the Government from San Antonio (on the Atlantic coast) to Punta Rieles, 190 kilometers from Bariloche, therefore 920 kilometers of line have been built. It is said that it is in a deplorable state of repair. Furthermore its original construction was very defective, many technical errors having been made.

The distance from Neuquen to Bariloche is 515 kilometers (about 318 miles) and, without accidents, is covered in two days by motor.

The territory of the Rio Negro has a total area of 7950 leagues or 33,850 miles. It is larger than the Uruguayan Republic and has a population of about 40,000 of whom only 25,000 are Argentines. The soil, although nitrous, is excellent for agriculture, especially for fruit-growing. The climate is very mild in spite of heavy snowfalls in winter. Viedma, with a population of about 3700 inhabitants is the capital of the territory of Rio Negro.

Due to latitude and other favorable circumstances, the zone near Lake Nahuel Huapi is the most temperate. There are many lakes, rivers, streams and fertile valleys in the Rio Negro territory. The Rio Negro---from which it derives its name----is the principal river and is formed by the confluence of the Limay and Neuquen rivers. It is the largest river in Patagonia, runs from W.N.W. to E.S.E. and has a length of 640 kilometers. It empties into the Atlantic Ocean. Due to rapids and falls, neither the Limay nor the Rio Negro are navigable.

Transport of merchandise in Patagonia offers considerable difficulty. Caravans of carts drawn by oxen or mules travel at the rate of one league per hour (three miles); and it takes 30 days from Neuquen to Bariloche.

The Government automobiles running between Neuquen and Bariloche carry 6 passengers each and all mails for the regions crossed. Passengers are only allowed 20 kilos of luggage per capita.

On leaving Neuquen for Bariloche the first landmark of interest is the Piottier estancia(ranch). This estate, in the middle of an arid desert, is a marvellous exponent of what can be achieved by irrigation. The next notable feature on the trip is the crossing of the Limay river on a pontoon. Besides the automobiles, all animals and merchandise from Neuquen to Bariloche or vice-versa must be taken across the river by this means. It is Government property, and the strength of the current alone takes it across the stream(flying ferry). Capacity of this ferry---two large automobiles.

After crossing the Limay river the motor goes up and down in-terminable tablelands covered with sand and a few thorny bushes and shrubs. There is a strip of 25 kilometers where nothing but sand is seen, vegetation disappears completely. This is called the "Travesia"(crossing). Its disastrous results are seen all along the road for there are many skeletons of animals which have perished through lack of water and on account of the high temperature. The Travesia is a zone very similar to the sandy deserts of Arabia. The sand is so deep and heavy that in some places it measures from 20 to 30 centimeters for distances of 5 kilometers at a stretch. After the Travesia the road crosses an immense plain or pampa covered with shrubs. Groups of wild guanacos are seen from time to time and often come within gun-shot.

The first important stopping place is Menoué, which is reached at the end of the first day. It boasts a "Comisaría" (police station) a country store and a so-called hotel. The next station is Laguna Blanca, the highest spot in the Rio Negro (1500 meters). On the afternoon of the second day Pilcaniyeu is reached. It is one of the most important places in the region and is crossed by roads in every direction. It is also a commercial centre of considerable activity. Shortly after leaving Pilcaniyeu the car goes through the famous estancia "San Ramon" belonging to the German Prince Von Lippe Sohramburg. Before arriving at Bariloche two rivers are crossed, the Niriuhau and Pichileufu.

The table of distances from Neuquen to Bariloche is as follows:

Neuquen to Menoué.....	270 kilometers
Menoué to Laguna Blanca....	55 "
Laguna Blanca to Pilcaniyeu	110 "
Pilcaniyeu to Bariloche....	80 "

Bariloche is a little village of from 800 to 1000 inhabitants and was founded 12 years ago by the Household brothers (sons of Germans). The facility of communicating with the Chilean frontier took several German, Swiss and Chilean subjects to Bariloche and they formed the nucleus of the present village. The houses in Bariloche are all of wood. The town has a police station with a force of 50 men. Due to their efforts the roads and forests have been practically cleared of the bandits and highwaymen who infested them as recently as five years ago.

Lake Nahuel Huapi, on the shore of which Bariloche is situated, is one of the most picturesque lakes in the region. It is 767 metres above sea level and 78 kilometers long. Nahuel Huapi means "Island of the Tigers" and in the limpid waters of the lake the snow-capped mountains are reflected. There are a number of islands and the largest one is Isla Victoria. It has a length of six miles and boasts the most exuberant vegetation and gorgeous flowers imaginable. In Lake Nahuel Huapi, as well as in the surrounding lakes pecho (or native trout) steel-headed salmon, lake salmon, lake trout and pejerrey are abundant.

Stock breeding throughout the region is the principal source of livelihood and on the ranches there are many thousands of heads of cattle, horses, sheep, goats, etc. These animals are sold principally to Chilean buyers on account of greater facility of transportation to Chilean markets than to those of Argentina. Nevertheless, during the favorable season, a considerable number of cattle is driven from Bariloche to Paso Senillosa (nearest railway station on Zapala line).

Due to lack of police a great deal of cattle stealing goes on continually over the frontier. The Chileans in these regions with few exceptions, belong to the lowest classes, and are generally escaped criminals. They have accomplices over the frontier and through their efforts hundreds of heads of cattle are stolen yearly. Until recently the Argentine Government had been powerless or indifferent to prevent this but a bill has just passed Congress creating a "Policia Fronteriza" (Frontier Police) and it is believed that this corps will materially assist in avoiding wholesale robbery and frequent murder of cattle-breeders in the district.

A steam boat service has been established on Lake Nahuel Huapi from Bariloche to Puerto Blest (Chile) by the Compania Sud Americana de Transporte y Navegacion (South American Transport and Navigation Company.) This company is managed by Ricardo Roth (a German). Recently Roth also purchased two motor trucks. One holds 37 passengers and the other will carry thousands of kilos of merchandise. A steam boat and two launches are the only vessels on the lake.

The German element in the Lake district is almost as strong as in southern Chile. The Germans are considered as good colonists but bad neighbors.

On various occasions plans have been drawn up to build roads and establish good communications between Bariloche and Puerto Blest (Chile). The distance is only 11 kilometers. However, due to lack of assistance on the part of the Government, so far nothing has been done. Communications and transportation facilities, even for tourists, are of the most primitive and uncertain description. It is said that a tourist seldom or never makes the trip twice. Amaranto Suarez, the proprietor of "La Veloz" automobile company declared himself as utterly disgusted with the difficulties and troubles which the running of the line entails. There is no attempt made to keep the so-called road repaired—it is more a trail than a road in places) and the Government does not encourage competition of private motor-car companies. The suggestion of aeroplane lines throughout the region in the near future for passenger and mail service, was received with considerable interest by the progressive owner of "La Veloz". He was the first man to run a car from Neuquen to Bariloche 5 years ago.

A motor trip from Neuquen to Bariloche means the consumption
of

- 4 pounds of oil
- 4 kilos of grease
- 1 casing
- 20 tins of naptha
- and from 1 to 20 tubes.

The total cost of one trip is estimated at \$500 m/n (or £210
U.S. currency).

There are also automobile lines from Zapala to San Martin
de los Andes (35 leagues), Zapala to Los Lajos, (15 leagues) and
Pilcaniyeu to Tecka, (80 leagues) not to mention the numerous
lines in Chubut.

The Cordillera region is exceedingly rich in flora and fauna.
Among the forest trees there are cypress, myrtle, cinnamon, laurel,
willows, pines, *apartium "coihue"*, "radales", "palo amarillo", "palo
pichi", "palo santo". (The five last are Indian and Spanish names).

Fruit trees include apples, pears, plums, cherries. There are
also strawberries (wild and cultivated) in abundance, currants,
raspberries and gooseberries, etc.

In the Cordillera there are guanacos, deer or huemul, American
puma (panther), otters, foxes and rabbits. Geese, ostriches, gulls,
swans, ducks, partridges and martin are plentiful.

The Rio Negro territory has been called the "garden of the
Republic" and the Lake District the "Argentine Switzerland".
However lack of transportation facilities and cost of same has
been the greatest obstacle to development and progress.

Many plans have been drawn up at different times for railways,
huge saw-mills, furniture factories, hotels and a national park,
but up to the present the region and its immense riches have
remained practically inaccessible.

Attached hereto are a map and 8 photographs in connection with
the above report.

REC'D, M. I. D., C. C. MAR 29 1919

Number of copies..... 3

Sect: War..... 1

OFFICE CHIEF OF STAFF
Secretary of War
M. I. D. Bureau

OO 2048-110 19

NOTED M. I. D.

WAR DEPARTMENT

SUBJECT Anti-Government Demonstrations, Buenos Aires.

TO: J. D.

CABINETS AND

M. I. D.

From R. C.

No. 1605 Date 22 February 1919.

Replies to No. Date 19

On the night of Thursday, February 20th, 1919, there was a demonstration in the Calle Florida near the corner of Tucumán, composed, it was said, of the employees of the Gath & Chaves Stores in Buenos Aires.

Lieut. Olcott, Assistant Military Attaché, at this Embassy was a witness to the demonstration and reports as follows:-

There were about fifteen hundred people in the parade. Most of these people were well dressed and had faces of the average, intelligent type. They were singing, whistling and shouting such cries as:- "Down with Irigoyen!", "Let the Port Strike be Terminated" and "Long Live the Allies" etc. Upon asking what the disturbance was about, Lieut. Olcott was informed that it was the Radical League of Protest led by Señor Villanueva, the President, in demonstration against the reduction of wages in the house of Gath and Chaves, and in protest against the continuance of the Port Strike, now in effect, which was causing merchants to reduce their wages because of the resultant business tie-up. The parade was diverted from Calle Florida down Calle Tucumán by some policeman. Lieut. Olcott was informed that the participants were going somewhere in the Paseo de Julio for the purpose of speech-making.

On Friday evening at five o'clock all the waiters in the tea room of Harrod's Department Store went on strike as a result of their wages having been lowered from \$70 to \$50 Argentine currency. This happened at five o'clock Friday, Feb. 31st, 1919 at the time when most of the people of Buenos Aires are gathering in the best places for tea.

Both of these demonstrations were undoubtedly actuated by the government's failure to adjust the pending question in the Port which has cut off shipping, put merchants in straightened circumstances and as a result has caused the lowering of wages to the dismay of the workingmen.

U. S. O. C. S. MAR 29 1919

Number of copies.....3

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OFFICE CHIEF OF STAFF
Executive Secretary
M. I. L. Int. Bureau.

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EX 2048-113 19

WAR DEPARTMENT

NOTED M.L. 2

SUBJECT Military Items-----Argentina.

From R.C. ----- COMBAT:
No. 1603 Date February 21, 1919.

Replying to No. Date, 19

The following was published in Boletin Militar No. 5235, on February 7, 1919:

"The Executive Power of the Nation---
Decrees:

Art. 1º Acceptance of resignation presented by Señor Federico Alvarez de Toledo as Minister Secretary of State in the Navy Department, and thanks him for important services rendered.

Art. 2º The aforesaid portfolio is hereby entrusted to the Minister Secretary of State in the War Department, Doctor Julio Moreno."

"The Military Attaché of the United States, Colonel Smith, accompanied by Colonel Reybaud, of our Army, visited the General Direction of Administration yesterday. The Director General of that Department accompanied Colonel Smith on his visit through all the sections and explained the work of same." This item is taken from "La Prensa" of February 6, 1919.

It was announced in "La Razón" on February 17th that the following candidates would be promoted to Generals and Colonels in the Argentine Army: To Generals of Division the present Generals of Brigade, Gregorio Velez and Ricardo Cornell. To Generals of Brigade: Colonels Carlos J. Martínez, Nicolás de Vedia and Enrique Jaureguiberry.

Recently it was suggested that the Military districts should take finger print impressions in triplicate instead of in duplicate only of men enrolled. In this way not only would the respective district and the files of the General Direction of Personnel have an impression but the Federal Police could also be furnished with one. In this way much useless labor could be done away with.

Certain difficulties have arisen with reference to the presentation of the 1898 class of conscripts which was fixed by a decree of the Executive Power for period comprised between 15th and 30th of March, 1919. This, however, coincides with date set for national elections which falls on March 23rd. The class called up for the 15th is supposed to join within the following 15 days; therefore the new conscripts cannot comply with their civic duties unless they turn up after the 24th. This does not leave the authorities sufficient time to fulfill all duties relative to incorporation of the men. For this reason it has been thought likely that the incorporation of the men should be postponed until after March 30th or else have it take place from March 1st to 15th. In this way even though the conscripts who join do not vote those who are discharged will be able to do so having terminated their military service. It appears that of the two solutions proposed the first is more favored in political circles while the military element objects to it. However the decision rests with the Executive Power.

The reincorporation of the conscripts of the 1897 class (due to revolutionary strike in Buenos Aires) has been taken advantage of by the authorities to have the men repair the roads to Campo de Mayo. At present the 1st Battalion of Engineers is engaged in this work under Lieut. Colonel Groso Soto. It is carried out alternating with military exercises. It is stated that the numerous paths between the barracks have been immensely improved due to this circumstance, and next winter they will not present the serious problem they did in previous years.

A few days ago a conscript who had escaped from the "Compañía de Disciplina" (Disciplinary Company) presented himself to the Ministry of War. He stated to the General Secretary of the Ministry, Colonel Vacarezza, that he had run away on account of the bad treatment he had suffered. He showed his injured shoulders which, he said, was due to the beatings he had received. He had four during the three months he was in the company. The conscript stated that he had no complaint against the commander of the company or the officers. The sub-officers were to blame, and they were very careful that the men's complaints should never reach headquarters. It is reported that an investigation will be carried out.

In an article entitled "Tiro Nacional" (National Firing) "La Prensa" comments on the subject and remarks that much money could be saved the Government and more satisfactory results obtained by a little care and good management. In the course of 13 years from 1905 to 1917 the sum of \$4.360.000 pesos has been expended on firing practice---this shows an annual mean of about \$355.000 pesos. The number of cartridges used during 1917 was over 4.460.000 approximating 446.000 pesos in value. As only about 40.000 reservists went to the firing stands, and there are 450.000 in the nine classes, the number of reservists who practised was less than ten percent. Therefore the logical deduction is that if for 10 % of the reservists, who fire twice a year, \$781.000 is spent---should all the reservists attend over 8 millions would be required. These conclusions would go to show that some economical system must be adopted, and it is suggested that war games and ammunition should not be used.

Recently the Buenos Aires press has had much matter on aviation, and especially military aviation in Argentina. The following items of interest are culled from the local press:

The Military School of Aviation at El Palomar has recently been informed by Captain Brihuega, who is on a special mission to Europe, that the Italian Government has stated its intention of donating twenty fighting machines to the Argentine Government for use in the Military School. It is said that these aeroplanes are of the Caproni type.

A Spad aeroplane (220 H.P.) has arrived at the port of Buenos Aires on a French vessel. Due to the strike it has been impossible to unload it up to the present (Feb. 12, 1919). The aeroplane was purchased in France for the "Crossing of the Andes Committee" and is one of the most perfected types of machines known. In the same vessel extra pieces and motors have also arrived. It is said that the machine will be placed at the disposal of Lieut. Zenni of the Argentine Army to attempt the crossing of the Andes over the highest point.

Major Scott of the British Army, Chief Flying Instructor in that Army has arrived in Buenos Aires and has been presented to the Argentine Ministry of War. Once he has been able to land his aeroplane Major Scott is to arrange with the Ministry

of War the programme of instruction to be carried out in the School of Military Aviation.

"La Union" in its issue of February 19th, 1919 remarks that considerable attention is being attracted by the fact that numerous foreign aviators are coming to Argentina, and Buenos Aires bids fair to becoming the aviation headquarters of South America. What surprises the aforesaid paper is that these aviators are from those countries which, according to the Argentine "rupturists", would leave Argentine severely alone after the war, i.e. Allies ("La Union" is a pro-German paper). It appears that the year 1919 will be an exceptional one for Argentine Aviation.

Lieut. Enrique Burzio, of the Italian Army has already arrived in Buenos Aires. He is a member of the Demarchi Mission. This Mission is composed of 12 military aviators (Italian) and has a personnel of mechanics of 70 men. On the arrival of the Mission in Buenos Aires it is said that it will offer the Argentine Government---in the name of the Italian Government---two aeroplanes, one for reconnaissance and the other for action.

The Italian mission is bringing 20 machines. There are six Sva biplanes; of these three have Fiat motors, 6 cylinders and 300 HP, with a velocity of 260 kilometers per hour. These aeroplanes can stay 8 hours in the air. They have only one seat and are armed with a Fiat machine-gun which fires 500 shots per minute. The other three Sva machines have Isotta Fraschini motors, 6 vertical cylinders and 300 HP. Like the machines described above, they have one seat and carry a machine-gun.

Besides the above, the Mission is bringing four Caproni biplanes, for bombing. Two of these have Fiat motors and the other two have Fraschinis. Each machine of this type carries three motors, three propellers and three rudders. They are armed with two machine-guns, have a velocity of 160 kilometers per hour and can remain 14 hours in the air. These machines can carry up to five tons of bombs, and when unarmed carry 10 passengers. Two of the other machines are of the Fiat type, for reconnaissance. The motors are also Fiat 300 HP, and a velocity is 180 kilometers per hour. They can fly for ten consecutive hours, carry a machine gun, seats for driver and passenger or observer, and can further carry a cargo of 900 kilos.

For instruction two Aviatik biplanes and two Farman biplanes are being brought. The former have LeRhone motors of 120 HP, a velocity of 150 kilometers per hour and can keep 7 hours in the air. The latter have Colombo motors, 120 HP and a velocity of 120 kilometers per hour. The mission further brings four hydroaeroplanes. Two are of the M 7 type for bombing and reconnaissance, and two of the M 9 type. They have Isotta Fraschini motors. The former are of 160 HP and a velocity of 160 kilometers; the latter have 300 HP and cover 240 kilometers per hour. Later on, the Mission will bring out a dirigible and two observation balloons to Argentina.

At the workshops of the Military School of Aviation the construction of 14 biplanes of the Caudron type has just been commenced. These will be used for training and instruction. Eight motors have been purchased for use in these machines. It is hoped to purchase four more later on, and thus, 13 machines will be ready for use in the School during the current year.

On February 20, 1919 it was reported in "La Nacion" of that date that Lieut. Zanni, of the Argentine Army would shortly attempt the crossing of the Andes over the highest peaks.

It is understood that the attempt will be made early in the month of March, and the 220 HP Spad machine which has arrived in the port of Buenos Aires will be used.

On February 19th, 1919 the Executive Power of the Nation signed a decree promoting to the rank of captain the following Argentine aviators: 1st Lieut. Pedro Zanni, Alberto González Albarracín, Carlos Jiménez Kramer, Leopoldo A. Casarega, Edgardo Benavente, Baldomero Biedma, Jorge J. Manni, Agustín Varona, Elisendo C. Pisano and Enrique Padilla. Of the above named officers only Captains Zanni, González Albarracín and Manni are actively engaged in aviation work at present.

Lieut. Colonel Pertiné, ex-Military Attaché to the Argentine Legation in Germany (he was military attaché during the War) gave a lecture at headquarters of the General Staff of the Army on February 20, 1919. Colonel Pertiné's lecture was of an extremely technical nature throughout. He touched on the evolution undergone by the different arms during the course of the war, referring especially to infantry. This latter point he explained with great clarity, reading authentic documents to illustrate his statements. This brought forth exceptional interest by those present who, on termination of the lecture, congratulated Colonel Pertiné enthusiastically. Military Attachés in Argentina were not invited.

REC'D, M. I. B. D. S. APR 29 1919

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OFFICE CHIEF OF STAFF
Executive Division
MIL. Int. Branch.

EDM M. b. 2

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2048-115

WAR DEPARTMENT

SUBJECT Puerto Militar-(Arsenal del Puerto Militar)
Argentine Naval Base, and Coast Defenses.

From R.C.

No. 1649 Date March 21st, 1919.

Replies to No. Date , 19

"Arsenal Puerto Militar" the principal naval base of Argentina is situated in the Gulf of Bahia Blanca on the Southern coast of the Province of Buenos Aires. This naval station derives its importance from its being the base of the Argentine high seas fleet; the seat of Argentina's only system of coast artillery defenses; and from its proximity to the City of Bahia Blanca (18 miles to the North West) which city is a terminal of the Buenos Aires and Great Southern and the Buenos Aires and Pacific railways. The City of Bahia Blanca possesses a system of port works of great magnitude, the principal ones of which are the ports of the two railways above mentioned, the Port of Ingeniero White, and another, a French concession.

Puerto Militar is connected with the City of Bahia Blanca by a single track broad gauge railway which traverses a barren and level section not unlike our Arizona-Mexican frontier. This "Puerto Militar" branch line joins the main railway (Great Southern) at a small station called "Grünbein".

The Arsenal Puerto Militar is completely under naval control and is administered by a Rear Admiral and an efficient technical staff. Twenty years ago this site was a barren waste of shifting sand dunes, but today is covered with groves of trees, principally eucalyptus, and well gardened shrubbery.

Accompanying this report is a marine chart on which the port construction, dry docks, and basins are shown and by reference to my reports no. 877 May 4th, 1917, and no. 889 May 22nd, 1917, data is given therein regarding these docks and basins. The accompanying chart will also show that the string of coast defenses are some distance from the Arsenal proper.

Through the Ministry of Marine arrangements were made for my visit to Puerto Militar as well as of our Naval Attaché at the same time. Leaving Buenos Aires via the Great Southern Railway at 6:37 P.M. March 17th, 1919, we arrived at Puerto Militar at 9:30 A.M. March 18th, where we were met by two members of the Admiral's staff. The first day was given to an inspection of the machine shops, the two dry docks and pump houses, the hospital and a drive around the surrounding country. In port at the time were the Argentine dreadnaughts "Rivadavia" and "Moreno" and three German steamers (refugee and interned).

The following morning March 19th, at 9 o'clock, a trip was made to the coast defenses of Puerto Militar via a strategic broad gauged, single-tracked railway which line runs from Puerto Militar eastward to a point in the vicinity of Baliza Chica (see chart). The country traversed by this railway is a barren stretch of sand dunes which are gradually acquiring a growth of grass and weeds thus arresting their shifting. Here and there were clumps of eucalyptus and fruit trees planted by the naval garrison.

The terrain for an average of three miles inland from the coast line is likewise a succession of dunes with little or no

Binding Margin.

vegetation. Fortunately for this railway line, its operation is under cover of the dunes thus rendering observation of the train quite impossible from the sea. On leaving Puerto Militar this railway skirts the Arroyo Pareja then follows practically a straight line until almost reaching the sea at Bal. Tripode from whence it parallels the coast line at a distance of about 300 yards, to a point not far East of Baliza Chica (see chart).

Upon questioning and from personal observation I learned that the land defense system of Puerto Militar consists of a line of seven batteries numbered 1 to 7, from East to West. Numbers 1 and 2 are projected only and will be located between Punta Tejada and Baliza Chica. These two batteries (Nos. 1 and 2) will be mortar batteries and their materiel is now in the naval deposit at Tigre near Buenos Aires. The materiel for these mortar batteries consists of the following: 12 coast howitzers of 28 centimeters each, length 12, model 1898, made by Krupp, see my report 1585 February 11th 1919.

The remaining batteries numbered 3 to 7 (from East to West) are close to the water edge, say from 150 to 200 meters.

Observing no marks or special signs from which I could later accurately plot the batteries on the accompanying chart, I have however attempted to locate them on the chart from memory and such calculations as I was able to make. I was taken into batteries 3, 4 and 5 and found them to be identical. The Commandant informed me that the remaining batteries nos. 6 and 7, are also the same. From personal observation and information given me by the Commandant on the spot I found that in each of the five batteries there are four Krupp breech loading rifles of 34 centimeters each; length 35, models 1880 to 1887 but since improved. Between each gun is an earth and masonry traverse. All guns are mounted en barbette, and have a sweep of 120 degrees each, making it possible for adjoining batteries to cross fire in the channel and for battery 3 to command the channel of "La Manuelita" (see chart).

Each battery is built into a sand dune which slopes gradually to the water's edge 100 to 150 meters away. The masonry of the interior of each work is of native stone with cement floor. The height of the guns above water is on an average of 20 feet. Each gun has its independent magazine. The top of the battery parapets for about 12 feet is dressed with cement; and at a level with the guns and immediately on the right flank of each battery is the battery commanders station. For a distance of about 12 feet beyond the muzzles of the guns is a growth of weeds of sufficient height to screen them from view and this with the sandy material and scrub vegetation of the exterior slope of the works renders them invisible from the direction of the sea. Guns were covered with black canvas casings and this with the light colored cement platforms would make them easily visible from the air.

Immediately in rear of each work are commodious barracks and quarters for the battery personnel, and after much careful labor tree planting and gardening, these quarters have been made into very attractive spots in which sufficient fruits and vegetables are raised to sustain the battery personnel.

At the time of this visit the new contingent of naval conscripts was reporting and being assigned to the batteries for garrison and instruction.

Between batteries 4 and 5 and about 1000 meters inland there are mountings and platforms for a proving ground-with line of fire perpendicular to the coast line. This proving ground can utilize a range of 10,000 meters. On the grounds is also a mounting for 12 inch guns, which mounting was presented to the Argentine navy by the Bethlehem Steel Company U.S.A. At the proving grounds there is also a steel observation tower about 200 feet high which should be a good landmark from the sea.

There appeared to be no search-light system at all in connection with this system of defenses and I was informed that there are no small guns for defense of mine fields.

The channel from the sea to Puerto Militar is about 4000 meters

(2) / (2)

11-11

From the line of the defenses.

I was informed by the Admiral Commandant that the Argentine Army engineers have recently completed a survey of the area in rear of the line of the batteries on a scale of 1:10,000 and that it is the intention^{to} construct or at least locate lines of defense to repel attack from the rear. The Admiral stated also that he has recommended the dismantlement of No.3 battery and that the government purchase four 16 inch guns of the disappearing type to take the place of the Krupp 24 centimeter guns in battery no.3.

It is the intention also at some future time to locate heavy mortar batteries on the Islands Bermejo and Trinidad opposite the batteries (see chart).

Attack of these batteries from the land side would of course follow upon successful landing somewhere in the Province of Buenos Aires or approach via the Gobernacion de la Pampa. The Argentine fleet being brushed aside would permit a landing at Mar del Plata (Province of Buenos Aires) at which point a large artificial harbour is now, but slowly, under construction. This construction is of the break-water type of heavy rubble and pointed masonry, the walls extending seaward and converging to form an entrance gate to the port. These two walls or breakwaters with the beach line, form a triangular shaped basin of sufficient surface to accommodate a considerable number of vessels, upon completion of the port. Undoubtedly in the future the Argentine Government must provide for the defense of this port and the commanding heights immediately on the North of the port will afford excellent sites for coast artillery fortifications.

In January of this year the light cruiser "San Martin" was able to anchor very close to this port and the sea permitted sending the crew ashore in numbers.

With reference to the map of Argentine Railways furnished your office with my report no.861 March 26th.1917, it will be noticed that the Province of Buenos Aires is seamed with railways which focus on the City of Bahia Blanca or the immediate vicinity of Puerto Militar. Attention is also invited to the railway line from Mar del Plata to Bahia Blanca. There is a dirt road from Mar del Plata to Bahia Blanca which in dry weather would be passable for troops, but I am informed that supply wagons and artillery would have to be drawn by oxen in wet weather.

To within an average distance of three miles, on the land side of the Puerto Militar batteries, the terrain is the gently rolling pampa of wheat and pasture, and approaching the batteries closer the attacking party would have to enter a zone of sand dunes and scrub vegetation. As each of the batteries is made habitable only by means of the irrigation and planting in its immediate vicinity, the presence of clumps of eucalyptus forest and other vegetation will easily disclose their approximate location.

As there are no army garrisons of any consequence nearer than the Cities of Buenos Aires, La Plata and Mercedes, at the present time, Puerto^{is} without the immediate support of the army.

REC'D,

APR 23 1949

Number of copies.....

Copy No

OFFICE OF THE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

2048-118

Re: Commissioned Informant
Copy given to WAR DEPARTMENT
NOTED 12-42

SUBJECT Economic, Argentina. The Buenos Aires Port Strike.

From R. C.

No. 1622 Date 5 March, 1949

Replies to No. Date

The Port Strike situation in Buenos Aires is revolving around a few more or less fixed points:-

- a). Boycott. (Attitude of the Workers.)
- b). Attitude of Government.
- c). Attitude of Centros de Navegación (River and Transatlantic.)

As explained to this office by two of the best known shippers in the city of Buenos Aires, the Centros de Navegación cannot give in to the right of boycott demanded by the workers -- if they did, it would simply mean that they close their doors. To be brief, the boycott is simply this:-

" Suppose A owns a steamship line, or is shipping agent for a group of steamship lines. B is a man who owns a quebracho works in the interior of the Republic. For export purposes, B, contracts with A to ship a lot of his goods to South Africa, for example. C, who has no interest in the contract between A and B, being merely a worker at the dock of A, doesn't like B because he (B) has refused to employ D (a workman in the works) because of D's having attempted to dynamite the works of B. D, however is a workman, unknown to C. Due to the fact that D is a member of a local union, perhaps, C refuses "on principle" to load the goods of B on A's ship thereby interfering with the performance of the contract with A in that respect. With regard to Argentine law in respect to "boycotts" it may be stated that it is identically the same as that of the United States (the constitution of Argentina and legal processes having been copied almost verbatim with the exception that a man is presumed to be guilty until he proves himself innocent as in France.) Precedent in the United States seems to be against the legality of "boycott." this is the argument of the shippers and the law which they are quoting as against the workers.

The question, then, resolves itself into one of discipline. If the boycott is allowed, the workmen will practically control the shippers' work. As a result of this, the shipper will be in the courts all the time with regard to the breaking of contracts with manufacturers and exporters. A case like this has already arisen between Bianci & Co. and the American Trading Co. agents for the Osaka Shoshen Kaisha (Osaka Steamship Co.) and other lines here.

It has been erroneously stated that the present situation is a lock-out; ~~but~~ it is a strike, pure and simple, over the single right of boycott. The shippers and workers are ready to agree on every point except the boycott. The workers insist on the boycott. The Centros de Navegación cannot allow this boycott.

because it would mean the immediate cessation of their business.

The workmen have now gotten to the point of claiming the right of dictation with regard to whom the shippers shall take aboard their ships, declaring that the shippers have no right to discharge a man from work, unless they (the workmen) consent to such discharge. This the shippers cannot and will not agree to because it means ruination to their business.

The only possible referee in this matter is the government. The government, however, has taken no really intelligent stand in the matter. The REAL question of the hour is the boycott and in this matter the government has said nothing. By their manifesto, the ministers have simply shifted the battle from one field into another, leaving the same question to be fought over without alteration.

The stevedore dictators are ruled by Spanish anarchists of the most dangerous type. The shippers take the stand that the strike is not German operated and ridicule the idea that German money is behind the strike. They shipping agents say that this is an Argentine political war, nothing more. The idea of Germany being behind this strike is not sound because Germany has everything to lose and nothing to gain.

Captain Galbraith, head of the stevedores doing the work for the American Trading Company, stated in substance that over 80% of his men want to return to work but they are prevented from doing so by the threats and actual acts of violence on the part of the dictators. One man did "dare" to go to work and as a result of his "audacity" was captured by the leaders and put in a dank cellar for forty-eight hours. At the conclusion of his confinement he was dragged up on a platform before a group of workers, made to eat bread and water as a sign of submission and was then escorted thru' the docks guarded by four men armed with "black-jacks" and forced to call men from their work. Another man who also went to work had his wife subjected to unbelievable barbarities and was forced to witness the burning of his furniture after it had been piled in the streets by the henchmen of the leaders. IF this terrorism can be broken by government protection, the workmen will return to work despite the edicts of the leaders and the back-bone of resistance will be broken.

The Centros de Navigación have banded together for mutual protection, refusing to have any work done by workmen unless they abandon the boycott idea. Those shippers and shipowners who, for financial reason, insist on having their ships unloaded by workmen who have not agreed to the shippers' terms are "black-balled" from the Centros for all times to come. The reason is obvious. The arbitrary action of these "rebels" simply weakens the cause of the shippers by leading the strikers to believe that their cause may succeed if they hold out a while longer.

It is well to mention that the scum of the world is employed in the Buenos Aires docks. The workers are, as a whole not citizens of the Argentine, but, by the laws of the country, they are entitled to a vote in the elections. These men are ignorant, vicious and superstitious. Since President Yrigoyen got his office by virtue of obtaining only 31% of the votes of the country, he only too well realizes the fact that he needs these votes to maintain his prestige. It is thought that for this reason, the government will dilly-dally with the problem until the 23rd of March (election day) for the purpose of obtaining votes. After that date some action MAY be taken.

Captain Galbraith further states that his men will go to work in a moment and not think about boycotting if the government will but offer sufficient police protection. The only ones who will not return to work are those who "are perpetually disgruntled and the worst workmen of the lot who want twice as much money as they are worth."

Under the recent act Nationalizing Port Services, about five hundred (500) men have registered and it is thought that the Unions have simply sent these men in as decoys to see whether or not the government will offer police protection.

One of our conclusions then is made by the process of reasoning:-

- a). For protection, the Centros MUST stand firm.
- b). The laborers have to work to live.
- c). The government is attempting to bring the parties together on a ground upon which they cannot and will not agree -- allowance of boycott.
- d). Result:- Deadlock, which if not settled soon will result in a serious, if not bloody situation.

Undoubtedly the present paralysis in the port of Buenos Aires is going to bring about a commercial panic in the Argentine Republic. Local merchants cannot meet their drafts, according to local ship-brokers, because they cannot pay for goods that they cannot receive in hand ready for sale. The banks have been as lenient as possible, but are now running short of money themselves and will have to make some demands on the merchants. Since the merchants cannot meet these drafts and money papers because of lack of ready cash and default of merchandise, the only course left for them seems to be bankruptcy, since money is getting too "tight" to borrow. As an example on board two ships in the harbor, HAWAII MARU and TACOMA MARU, there is a huge amount of Japanese perishable material which is rotting and depreciating in value daily; in addition to this there is a quantity of carnival material aboard which, if not gotten off immediately will be valueless until March of next year. Aboard the Brazilian ship CUYABA there is at present sugar which is turning into molasses due to heat and bad storage quarters. The tremendous loss to merchants and shippers is evident. To move these ships to MONTEVIDEO and discharge them means an expenditure of \$ 80,000 U.S.G. per ship. To leave them here in the port means an expenditure of \$5,000 U.S.Gold per day. Again the loss is evident.

All this is caused by the government failing to make the strikers live up to their agreement. In the first place, the government lied to the shippers openly telling them that the strikers had agreed to terms and were ready to work. This was not the case for the workers had not agreed to any terms such as was stated for immediately upon their return to work they openly violated their agreement. Up to date the Ministers of Marine, Interior, War (the President) and Public Works have had a shot at the strike situation, all with indifferent success and without displaying any marked signs of intelligence, or genius, with regard to the situation.

Another cause for grievance on the part of the Centros de Navigación (transatlantic and river) is that the government sent them the draft of their manifesto regarding the nationalizing of Port Services and requested that a committee from the Centros go over the manifesto and make what corrections and additions they

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deemed fit and necessary. This committee was appointed and the requested corrections made and suggestions appropriate to the situation were added. But, when the manifesto was published by the government, not a single suggestion or correction made by the committee from the Centros had been incorporated into the document. For this reason the Centros de Navegación have asked the government for an interpretation of the act -- whether they are to understand that the suggestions and corrections were not received, not correct, not acceptable or what was the trouble. No answer has been received that clears up this point. What the outcome will ultimately be, no one knows.

NOTE:- Heretofore there have been too many men for the available positions aboard ship. The Centros objected to the action taken by the unions. This action consisted in giving each man his turn at the position whether it were agreeable to the company or not. One week steward A would work. Perhaps A would be a good worker with services satisfactory to the company. The company would wish to retain him permanently, but no, the next week B would be sent aboard to take A's place even tho' B were a man unsatisfactory for the work. The company might protest this action but the workers would simply strike and that ended the matter. There was no discipline aboard ship.

On the 25th of February 1919, the number of ocean going vessels in the vicinity of Buenos Aires containing cargo for that city numbered 181 vessels. On that date some of these vessels were unloading their cargo at Montevideo Uruguay and at La Plata Argentina, after which they plan to load cargoes of meat and grain at LaPlata and Rosario respectively. It so happens that vessels at La Plata can tie up immediately alongside of the refrigerating plants and the meat can be placed aboard by the employees of the plants. At Rosario grain can be shot directly from the elevators into the holds of the ships. With Buenos Aires, the situation is different, necessitating the handling of the cargoes in lighters and the handling by stevedores. In consequence the strike activities in the port of Buenos Aires have completely crippled the operations. There has been total paralysis since the precipitation of the strike on the 10th of January this year (1919). The river and coast steamers maintained by German interests have acceded to the demands of the port strikers from the very first moment and it is said that these workers (of the German lines) together with men of other "unions", are contributing to the support of the port laborers now on strike, the German boatmen giving as much as 60% of their wages toward this end. It is estimated that the number of men engaged in the port strike at present is 14,000.

On the 27th of February 1919 the Centros de Navigación, (Transatlantic and River) were sent a rather ineffective letter by the sub-secretary of the Department of the Interior in which letter an attempt is made to clear up points in re the government's declaration. The reply of the spokesman of the Centros de Navegación shows how this letter has failed to accomplish its mission and how the affairs in the port are still suspended in thin air. The answer is as follows:-

- a). Sub-secretary's letter says that strikes and boycotts are to be prevented because they interfere with public welfare. (Answer :- Well and good; but what means are to be employed in putting an end to all this ?)
- b). Sub-secretary's letter says that all port work is to be put under the direction of the Port Captain for the prevention of further trouble. (Answer:- Again well and good; but nothing has been said with regard to "choosing freely on the part

of the workmen of the personnel with which they (the workmen) desire to work". This is the boycott - the question of the strike.)

c). This act will prevent strikes, lockouts and boycotts. (Answer:- Again the question HOW? What will happen if the workmen wont go back to work despite the edict.

On the other hand we have the Workmen trying to clear up their rights by stating that the right to boycott is not illegal as it was used by the Argentine Government itself as against German firms on the "Black List." (However here the workmen have made an error. There is still the case on record wherein the Mihanovitch Line (Argentine Company but with British Capital) refused to take German goods aboard and were summarily ordered to by the Argentine Government. In other words, this steamship company attempted to "boycott" a German firm and were ordered to refrain from any such actions by the Argentine Government. If then, why not now?).

The workmen declare that:-

- a). The management of the shippers houses has no right to deny them the privilege to meet together and to organize for mutual benefit.
- b). That they are a part of the companies as well as the stock-holders. They have a right to refuse to do the work of a man who acts in a manner detrimental to the company.
- c). Since the managements of the various companies have the right to refuse to do the work of a man who deals unfairly with them (the management) so the workers have a right to refuse to deal with a man who treats them unfairly.
- d). The right of boycott is a just right and will be exercised by the workmen against whomever they wish.

We see the three "fixed points" mentioned at the first of this report, as far apart as ever and the solution no nearer than at any time during the strike.

If one thing we are sure that there are bright minds -- more than the average mind -- behind the doings of the strikers. The Centros de Navegación have used American Legal Precedent in their argument with the strikers and the strikers have hurled the same precedent back with great force at the Centros, using some parts of corporation law dealing with the right of one corporation to refuse to do with another. Since they lay their claim as "being just as much a part of the company as the management" the point is well taken if the hypothesis be allowed.

On February 28th, 1919, the strike situation has gotten even farther from a solution than ever before. The action of the government with regard to the strike seems to be more lethargic than ever. Several interesting phases have developed, and are in process of development with regard to the strike.

It is rumored from very competent sources (identity of which this office is requested not to reveal) that President

Yrigoyen has received a manifesto and also a visitation from a group of workmen and politicians who informed him that were a damper not put on the registration under the government manifesto for nationalizing port services, he (Yrigoyen) stood in danger of losing not only thousands of votes, but the election as well. There seems to be no doubt that the government is discouraging rather than encouraging registration at present, in spite of the fact that the government decreed the registration.

From other authoritative sources⁴ (a man who is well informed as to governmental affairs and the politics of the country) it was learned that a coup de etat may be expected any moment. This coup d' etat WILL NOT be made by Bolshevik or Maximilist agitators but by patriotic Argentines for the purpose of remodeling their government and settling the strike. The patriotic Argentines are beginning to realize that this is a young country and as yet weak in business and business foundation. Such proceedings as are at present going on, are weakening not only Argentine business at home but seriously affecting Argentine foreign commerce as well.

The above paragraph only goes to strengthen what was previously said about the present strike being an Argentine political war rather than a machination of the Germans in this country.

It is clearly evident that something must break. The present situation cannot continue for very much longer. As it is, a business panic is almost sure to follow close on the heels of the strike. What the results of such a panic might be can only, at best be conjecture, but suffice it to say that the outlook is anything but pleasant judging from experiences since the beginning of this year, with radical elements in Buenos Aires.

As evidence of what the strike is doing to Buenos Aires and Argentine trade, The American Trading Company has received a telegram from their New York office stating that there are no[#] more ships contemplated for Buenos Aires either sailing from Osaka or from New York. This is holding up valuable and much needed cargo for the Argentine - especially a shipment of steel from New York. Gasoline is getting scarce and prices are commencing to soar. The result of the whole situation is that prices are due for a terrific smash in Buenos Aires. While the prices may be high now due to the scarcity of many articles, when the ships are unloaded there will be a horrible lot of damaged and rotted goods dumped upon the market to be sold at any price they can command. The merchants will have to have money to "cover" from some place. This office was shown a freight manifest from one of the larger ships in port here. The ship has a general cargo and, with her "sister ship", also in port, is carrying a cargo valued at \$ 137,000. In addition to this, the merchants will have to pay the demurrage on these ships which is \$ 1000 per diem, in addition to all of which these merchants who are paying for the goods will get badly damaged goods to cover the expenses incurred in getting them here. This, then, will give merely an idea of what it is costing the merchants and the Argentine in general for the strike to continue.

It might be asked why Montevideo, Uruguay is not used as a port of discharge to save the loss to the merchants and shippers. The answer to this is that Montevideo is already crowded. There is no more dock room available and the roadstead is crowded with waiting ships. There is not room for even one more ship in Montevideo. Once merchandise is discharged in Montevideo the only thing that can be done with it is to allow it to rot by exposure to the elements since all warehouses are filled and over-flowing. The question is simply as to which is better; deterioration by exposure to the elements or by waiting discharge in a ship's hold. Rio de Janeiro is the only other port available, but, however, is valueless as far as Buenos Aires trade goes. The same deterioration would take place and the same problems have to be fought over when shipping from Rio de Janeiro to Buenos Aires as from Osaka or New York. Some ships are calling at Rio and selling bulk cargoes (such as coal) to local purchasers.

No conclusion seems to present itself for this situation. As far as this office is able to ascertain, the situation is even blacker than ever. What the outcome will be, only the future and imagination can tell.

The workers are still being terrorized. From the casual encounters to be had with English speaking beggars, this office has learned of this fact. Recently an encounter was had with an American beggar and the following information gained:-

That the man was a crane operator; that he really wanted to work; had tried to get to the United States to get in the army; couldn't get into the navy because of physical defects; that he was afraid to work because he knew the consequences; that he would probably be beaten and maybe killed if he tried working; that most of the workmen felt the way he did about going to work.

U.S. APR 2 1919

Number of Report 3

Copy No. 1

OFFICE OF CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

Peace Commission L.W.C. 1048-118
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in duplicate. WAR DEPARTMENT

NOTED: 14.12

SUBJECT Economic Argentine -- Buenos Aires Port Strike.

From R. G.

No. 1642 Date March 16, 1919.

Replies to No. Date

(Continuation of Report # 1622.)

With reference to this report, your attention is invited to report # 1622 in which there is a statement made to the effect that the strike in the Port of Buenos Aires at present is NOT due to German influence. Later developments have lead to a possibility of this statement being contradicted, as will be subsequently noted. The difference is due to the difference in the information possessed by the informant at the time that this report was written.

The Port of Buenos Aires remained more or less in the status quo of quiet paralyzation until the 12th of March when the Centros de Navigación (Transatlantic and River) received an ultimatum from the Federation of Port Workers which stated in effect that the "armistice" period had passed and that action had to be taken at once, otherwise a more violent situation would prevail in the port. Just what the nature of this violence would be was not stated in the ultimatum -- the shippers only intimating that there might be disorders and possible destruction of property.

This ultimatum, the shippers refused to answer. Their reason for this was the fact that the ultimatum dealt with the "boycott", which they had previously refused to deal with in any way whatsoever, because so doing would prejudice the stand they had already taken and agreed to stand by.

It must also be remembered that the Centros de Navigación refuse to deal with the workmen's delegates in any way whatsoever: they are not recognized. All dealings go thru' the Government office which happens to be handling the strike situation at the time.

March 13th passed without excitement until evening when a hurried call was sent to the Centros saying that the workmen had a new proposition to offer. This proposition was that the workmen resume the operations in the port; the shippers paying them their back wages for the time of the strike (70 days plus) and Congress to decide whether or not the "boycott" be legal or not. The Centros were not very willing to accept the proposition because of the payment of the "back pay" and because they feared a technicality which would allow of the "boycott". What this technicality might have been was not explained to this office. As to the part regarding the settlement by Congress as to whether or not

the "boycott" be legal or illegal, the shippers feel certain of their ground. If Congress is so short sighted as not to see the inevitable result of the "boycott" with regard to Argentine shipping and trade, then the shippers still have the opportunity of moving out of Buenos Aires to other places more favorable to business, e.g., Montevideo. That some of the shipping firms and steamship agencies are already planning for this is shown by the fact that the Royal Mail Steam Packet Company has already made preparations to move to Montevideo. If Congress should legalize "boycott", to quote one shipper:- "Commercially speaking, there would be weeds in the streets of Buenos Aires in a month." Buenos Aires would be abandoned.

To further the argument that the Argentine Government is playing for time and the elections may be quoted the fact that "by order of the government" the Port of Bahia Blanca (second port of the Argentine) has been closed because of "insanitary conditions". Quite properly it should have been closed many months ago for this reason, since such conditions have been prevalent for quite some time, but have, in fact, improved in the past few weeks. Why was the port closed at this time -- worst of all times? To the average mind mere observation would indicate that such action was particularly unwarranted at the present. This view is also substantiated by the statements and opinions of shipping agents on the subject. They cannot close LaPlata because so doing would close down entirely the large Frigorificos and create a chaotic condition in labor circles. The government also realizes the folly of closing down the port of Rosario because of the trouble that would follow in the grain elevators. Bahia Blanca, however, outside of being a naval base has no especially large number of workmen who would be thrown out of work by its being closed down.

As to German money playing a part in the present situation, the following facts are quoted as given this office very Confidentially :-

Investigation was made into the affairs of the Worker's Unions with the following results:- 1. At the beginning of the strike, the Unions had a bank balance of 60,000 pesos; while now after over two months of paralyzation in the port their balance is 93,000 pesos !! 2. It further developed that the firm of Delfino Bros. (German) was giving to the Unions \$7000 moneda nacional every week. 3. Thru' some means or other the workingmen and families are getting supplies and fresh milk delivered to their houses every morning in time for their breakfasts. 4. Further investigation disclosed the fact from Germans themselves that since they were ruined in their trade and their relations with the outside world, they would stop at nothing to bring everything to ruin with them -- using money and Bolshevism to aid them.

Despite all this, this office has been informed on the morning of the 15th of March that work will be resumed shortly on the basis of the agreement above given.

D. O. S. MAY 12 1919

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2048-119 616

NOTED: M-42

SUBJECT: Economic Argentina -- Buenos Aires, Port Strike.

From: R. G.

DRAFT R. A. KENYON

No. 1685

Date: 9 April 1919

Replies to No.

Date: 19

The strike situation, that exists at present in the Port of Buenos Aires, is causing the merchants and shippers in the city of Buenos Aires much anxiety.

The government has attempted to renew activities in the port by nationalizing all the port services. Due to this action, the stevedores have returned to work under circumstances which are particularly disadvantageous to the shippers. The nationalization of the port services by the government has left the question of boycott absolutely untouched and the workmen continue to exercise this right to the limit with the result that many thousands of dollars worth of valuable cargo is being left to rot in the customs house and aboard the ships in the harbor. The workmen do as they please taking time off when they feel like it and refusing to obey any order whatsoever. As reported to this office by the officers of the "WESTERDYK" (U.S.N.) their loading has taken twice the normal time because of this disposition to loaf and not to work on the part of the workers.

The Association of Tow-boatmen is still on strike and many steamers are leaving and entering port under their own steam or with the unskilled aid of a few boats belonging to the Minister of Public Works. As a result of this, not a few accidents by collision have happen in the roads and harbor -- some ships being badly damaged. This of course has led to many actions at law against which the shippers have no recourse because the blame for the accident cannot be placed -- it being useless to charge the government with its own errors.

A new development has arisen due to the merchants having arrayed themselves against the shippers, laying their (the merchants) lack of business on the methods employed by the shippers in their treatment of the situation in the port. As previously reported, cases in court are still piling up over this question. A new development, however, is the reckless breaking of contracts on the part of Argentine merchants. Many thousands of dollars worth of foreign goods are rotting in the customs houses because certain business firms have refused the acceptance thereof. The merchants know their ground since the "Tribunals" of the Argentine are already crowded for the next two years with cases pen-

ding decision. Before the cases can be decided, the goods will have been sold out of the customs house in the annual government auction of unclaimed goods. The Argentine merchants do not wish to keep any contract that may hurt them to keep. Some goods in the customs houses now, have lowered in prices greatly since they have arrived and the merchants are insisting that these goods must be delivered at the prevailing price rather than the contract price. This of course cannot be done as the manufacturer would encounter dead loss on the major part of his transaction.

The shippers have no recourse against the government. President Irigoyen has forced all Argentine shipping firms to agree to his propositions in the port on pain of having thier registry taken away from them.

It was VERY CONFIDENTIALLY reported to this office, that there is a definite and organized movement afoot to completely boycott Argentina. This boycott will be carried into effect by the British, French, Italians, Portugese, Japanese and the United States shippers. The reason for doing this is simply to force the government to terms. That this can be done is certain, because Argentina cannot live without her imports and exports. Undoubtedly such a movement would cause quite a commotion, internally, but it is certain that the desired result would be obtained.

REC'D, M. I. S. O. MAY 24 1919

OFFICE CHIEF OF STAFF
Executive Division
War Department

Number of Copies. 3
Copy No. 1

JUN 2 1919 12 P.M.
No 2008-12 P.M.
NOTED: M.L.S.

SUBJECT Labour Agitation in Argentina. AIR DEPARTMENT

From R.C.

No. 1716 Date April 24, 1919.

Replies to No. Date, 19

The labour situation in the Argentine Republic is generally unsettled as indicated by the numerous strikes which have been occurring for the last two years. Strikes appear to be extending to nearly every known vocation and trade, and the latest strike comprises such labour elements as barbers, tailors, employees of large department stores and bank clerks. In general the complaint seems to be the small wages paid as compared to the notoriously high cost of living. There is considerable talk of exciting times in Buenos Aires on the approaching May 1st, 1919 (Labour Day).

I have received information today from a reliable secret service agent of the Buenos Aires Police that the authorities anticipate serious trouble on May 1st. The concern on the part of the authorities necessitated a special meeting of the Chief of Police, the Minister of the Interior, the Mayor and their assistants as well as minor police authorities. This meeting was held on April 23, 1919, and was not concluded until 5 a.m.

At this meeting plans were made for the proper use of the police in case of predicted trouble on May 1st.

The police agent above stated says that he has information that all work on May 1st in Buenos Aires on the part of the labour element will cease in order to take part in parades and demonstrations in which they will air their dissatisfaction as to the existing labour conditions. It is said that the participants will include tramway motormen and conductors, drivers of coaches and automobiles as well as the personnel of restaurants and stores.

It is stated that there are two divisions of the labour class in the Argentine, that is: i.e. the Maximalists and the Socialists and that the former plan not to take part in the demonstration of the Socialists on May 1st, but to carry out their demonstration on a later date, probably May 4th. In connection with the rumored disturbances the above informant states that he has just submitted a secret report to the police authorities in Buenos Aires in which is given a list and the addresses of the chemists in Buenos Aires and in neighboring towns, as the Government fears that these men will be called upon to manufacture and supply explosives for bombs.

Plans are on foot to place a careful guard over all arms shops on May 1st, and to make immediate arrest of chemists or other persons who might be suspected of ability or inclination to supply explosives.

There have been many "false alarms" in this city during the past year, but it appears now that there may be something "in the wind".

There are many who state that at any time in the near future there will be another "Reign of Terror" in Buenos Aires, similar to that of January of this year, and the Maximalists or Bolsheviks are ready to take advantage of the strike unrest to start their activities.

The new conscript class of the Argentine Army is now reporting for duty, and owing to the lack of instruction of these men the standing army could do little to suppress any serious civil disturbance.

Number of copies.....³

Copy No

OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

2048-1226

WAR DEPARTMENT

SUBJECT... Patriotic Demonstrations in Buenos Aires, Argentina
on May 24th and 25th, 1919.

From... R.C. REC'D, M. I. B. O. C. JUL 22 1919

No... 1748 Date... June 3, 1919

Replies to No... Date... 19

On May 24th, 1919 there was held in Buenos Aires the largest patriotic demonstration that has ever taken place in this city. (See my cable #161).

The demonstration was primarily organized or suggested by the Liga Patriótica Argentina (Argentine Patriotic League) and the object of the monster procession was to show that the Argentine people are united against Anarchy or any infringement of their liberties.

The paraders went mostly on foot, and the procession started at the Congressional Building on the Avenida de Mayo; it then turned northward up Florida street, and thence into Plaza San Martin where the United States Embassy is situated.

The streets were packed with people and reminded one very much of the recent Review of the 37th Division, New York City. Men, women and children of all classes were in the parade, and it was said that it was practically the first time that women of the upper classes took part in such a demonstration. They marched in the midst of the crowds the same as the others.

Marching was very slow, but orderly at all times, and the paraders would frequently stop to sing the National Anthem.

The procession was headed by the President, Dr. Hipólito Irigoyen. It is reported that this was very much resented by the Committee of the Patriotic League, due to the attitude adopted towards it by the President, as well as his toleration of anarchism.

In this connection, it is said that about May 1st, 1919, the President was approached by the Patriotic League regarding the forthcoming Anarchist Parade, and was asked if he intended this parade to take place. He replied that Argentina was a free country therefore the anarchists had a perfect right to parade. On the protest of the Patriotic League, and a statement to the effect that the League would not permit the demonstration to take place, the President warned its representatives that they had the Army and Navy against them. To this the Patriotic League replied that on the contrary the Army and Navy were with the League.

In the course of the demonstration of May 24th, it was decided that no acclamations would be permitted, so that no political character could be attached to it.

The procession passed by the United States Embassy, and it was there that I witnessed it. The President stopped for a minute or so directly in front of the Embassy to speak to some friends.

The manifestation was considered a great success.

In connection with the Patriotic League, it is also said that a number of Army and Navy officers whose signatures appeared among the list of members of that League, were criticised and taxed with disloyalty to the Government. In replying to the charge, these officers declared that their duty to their country came first, and their membership in the League proved their loyalty to the Government.

On May 25th, Argentina celebrated her Day of Independence.

As far as the military parade was concerned, the celebration was nothing like that of former years. This was due to the fact that the two Divisions---the first stationed in Buenos Aires, and the second at Campo de Mayo, did not receive their recruits (conscripts) until sometime in April. Time for training was therefore insufficient to give a creditable military parade, and this has been postponed until July 9th.

The troops presented looked very smart and military, nevertheless. These included the Naval School, the Military College, the School of Mechanics of the Army and Navy, and two squadrons (escuadrones) of the Regiment of Mounted Grenadiers. The horses were fine animals, and their appearance was far better than those of the United States.

While passing by the President the dismounted troops took up a semblance of the goose-step. The equipment of all the troops was clean and apparently in good condition. Bit and bridle were used by the mounted troops.

As is customary a Te Deum was held at the Cathedral at 1 p.m. by the Archbishop of Buenos Aires. The Diplomatic Corps was invited and was present, seated as usual on the right of the transept. The President and his Cabinet Ministers were seated on the left.

After the Te Deum the President and his Cabinet, the Diplomatic Corps, and a few invited guests repaired to Government house where they witnessed the parade of the few troops mentioned above, and that of the school children. This lasted from about 1.30 to 5.30 p.m.

The crowds as on the previous day were very large, but orderly.

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Binding Margin

3
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DEPARTMENT

227 P.M. 27-4-19.

SUBJECT--Report of Trip by Colonel John D. Long, U.S.A., M.A.
to Iguazú Falls, Territory of Misiones, Argentine Republic
from August 28 to Sept. 11, 1919.

From--R.C.

No. 1854

Date. October 27, 1919

Replying to No.

Date. NOV 25 1919
R.F.C. M.V. B.W. O.G.S. 19

In connection with this report see Reports of predecessors
521 and #668.

General

HWT

The trip was made by rail from Buenos Aires to Posadas, Territory of Misiones, distance, 1142 kilometers; by boat on the Upper Paraná River to Puerto Aguirre, distance, 344 kilometers; and by stage to Iguazú Falls, distance 20 kilometers. Total distance, 1506 kilometers.

A number of Kodaks taken by me, excepting four, accompany this report which may be of interest.

There are two books, "A Través del Iguazú y del Guayrá" and "Excursiones por la Argentina y Países Limítrofes" presented to me by General A. E. Rodriguez. The author of these books is Coronel J.E.Rodriguez of the Argentina Army. The titles of the books indicate what they are. The second book was printed in 1918. They give not only a description of the frontiers from a physical standpoint, but treat of the inhabitants, fauna and flora. In the chapter entitled "Las Malvinas" (the Falkland Islands) page 368 reference is made to President Wilson's 14 points. The maps are considered excellent, and might be well utilized.

In reading these books, as well as almost all literature written in Argentina, it is well to consult the "Diccionario de Argentinismos" published in Buenos Aires, and which was recently sent you. Argentina has many words not used outside of the Republic, and also it has different meanings for Spanish words used elsewhere.

A brief description of the Guarani Indians who inhabit the Upper Paraná can be found on page 468.

Blue print of the Falls from a German source is inclosed. There is also a blue print of a project of the utilization of the water power; it explains itself. This is from a Danish source.

A postcard of the Upper Paraná and Iguazú Falls is also inclosed. It was compiled by Colonel E. Mosconi (pro-German) Argentine Army. This is considered an excellent map showing all ports. The corrections were made by me en route.

The trip was made in company with Captain John H. Gibbons, U.S. Naval Attaché, Argentina. As we belonged to the Diplomatic Corps special rates, accomodations and courtesies were extended to us.

From Buenos Aires to Posadas.

Railroads---all broad gauge, 1.435.
I left Buenos Aires over the Entre Ríos railroad at 3.00 p.m.

August 28, from Chacarita station, about 5 miles due west of U.S. Embassy or Plaza Hotel. There is no Union station in Buenos Aires. At 6.00 p.m. the train arrived at Zarate, Province of Buenos Aires, 101 kilometers from Buenos Aires. Here the train was split up and run on a ferry which goes up the Paraná River to Ibicuy, Province of Entre Ríos, and 122 kilometers from Buenos Aires. It arrived at Ibicuy at 10.40 p.m. The train then proceeded across the heart of the Province of Entre Ríos, and arrived at Concordia, Province of Entre Ríos at 8.30 a...., distance, 544 kilometers from Buenos Aires.

The railroad from Concordia to Posadas is the North Eastern Argentine. This line follows up the Uruguay River to Santo Tomé then across the narrow neck of land to Posadas where it arrived at 4.00 a.... August 30.

From Posadas the train crosses the Upper Paraná on a ferry to Villa Encarnación, Paraguay, and proceeds to Asuncion, arriving there at 9.00 p.m. Aug. 30. The distance is 1514 kilometers from Buenos Aires. The line from Posadas to Asunción is the Central Paraguay.

The coaches are of the compartment type, containing 2 or 4 beds or berths. The rolling stock was not in good shape, due to war conditions. Wood, "quebracho", was the fuel used. A diner accompanies the train to Asuncion. The food was good, plentiful and reasonable. The train ran according to schedule and traveling was comfortable. The railroad stations were all commodious and up-to-date.

The Country from Buenos Aires to Posadas.

The land is a low, open, flat plain, only now and then a gentle swell in the landscape. Now and then a few trees could be seen, but there were quite a few streams. On the whole the country is unattractive except for seeing the large herds of grazing cattle. Cattle breeding is the industry.

Most of the towns were simple villages, the houses constructed of mud or concrete and whitewashed. The soil is heavy and when there were evidences of recent rain, the roads were in bad condition owing to the mud. Carts and wagons use very large wheels, to facilitate travel. Many are two wheeled.

However as Posadas is approached, the soil became sandy, and is brick red in color.

The region of the Republic consisting of the Provinces of Entre Ríos and Corrientes and the Territory of Misiones which are between the Paraná and Uruguay rivers is known as the Mesopotamia on account of its similarity to the real country of that name.

Concordia----Province of Entre Ríos.

Concordia is the principal town between Buenos Aires and Posadas. There is nothing particular to be seen here. The market offers no special interest. There is quite a large English colony at Concordia. ~~There are many plantations~~
~~large estates~~
~~and extensive sheep ranches~~

Salto, Uruguay is just opposite.

Posadas----Territory of Misiones.

The country about Posadas is semi-tropical.

The town is regularly laid out and the buildings with few exceptions are one-story, built of brick plastered with mud and colored.

Posadas is a modern city of about 16,000 inhabitants including the surrounding districts. It is situated on the west and south sides of the Upper Paraná River. The city proper is about 100

above the river of which an excellent panoramic view can be obtained, including the Paraguayan side where Villa Encarnación lies just across.

The town has an autonomous municipality, the annual income of which is between 250,000 and 300,000 pesos m.n. However no taxes are levied, although the streets are well paved and kept in good condition. There are ~~running~~, electric light and telephonic and telegraphic services, but no sewerage system.

The city registers about 4650 voters.

The present governor of the Territory of Misiones, residing at Posadas is Sr. Hector Barreyro, the sister of whom is the wife of Señor Acuna, the former 3rd Secretary of the Argentine Embassy to the United States and now 1st Secretary to Brazil.

There is only one hotel, Barthe, of any consequence. This has just been opened. It is a three story building built of brick (plastered on outside as most buildings are). It has about 40 bedrooms with hot and cold water in them, electrically lighted. There are ample bathrooms. The electric power is supplied by the Domingo Barthe Co. Power house, just east and across the street. It is the intention to extend the power to the Domingo Barthe General Merchandise Store about a block away.

The Paris, Igazú, etc. hotels are of ancient structure and only fair in accommodations, etc.

There are about 20 public schools in Posadas and about 80 in the Territory of Misiones. The riches of the region about Posadas are very great. The soil of Misiones is of the brick red clay variety. The tobacco crop this year it is said will exceed 8,800,000 lbs., and this will mean \$6,000,000 pesos for the National exchequer in taxes. Sugar is also a source of wealth. Yerba mate (Paraguayan tea) is being cultivated largely, and one planter alone has already 700,000 plants, half of which are already producing.

The subdivision of large land holdings would undoubtedly mean progress, and would be an important feature in the development of production which already includes rice, woods, raw materials for manufacture of paper, textiles, chemicals, etc.

Oranges are very abundant, there are peanuts, beans, corn, many other vegetables and fruits.

A trip was made to the Pedro Nuñez Yerba estancia, 30 kilometers from Posadas. Mr. Nuñez is a Spaniard and a brother-in-law of Governor Barreyro. This yerba estancia is by far the largest in the vicinity of Posadas. Here were seen the yerba trees, the cutting, stripping, drying (old and new methods) and sacking.

The commercial life of Domingo Barthe is similar to a less degree to that of Nicolas Mihanovich. The Barthe holdings are principally in Paraguay, along the Upper Paraná, and are about 1,000,000 acres, tracts extending from Villa Encarnación, Paraguay to the north. Domingo Barthe died at Biarritz, France in January 1919. The business is being carried on by his five sons and four daughters.

The Domingo Barthe Co., also owns and operates a steamship line on the Upper Paraná as far as Puerto Mendez, Brazil, 150 kms. above the mouth of the Iguazú and the last port. The company also owns and operates a sawmill and ship building establishment in Posadas where about 150 workmen are employed. They build all their own boats, one of which is the TEMBEY. This boat is a stern wheeler of about 300 tons, of about 4 feet draft, due to the shallow water around Posadas, and makes approximately 13 knots per hour. It contains something like 20 cabins for first class passengers on the upper deck, with apparently unlimited number of natives on the lower and in addition freight and merchandise.

In the Barthe sawmill, modern machinery and appliances are employed ---- a dry kiln is being constructed after an American plan, where it is possible to dry or season timber in 8 days.

150,000 ft. of

The principal traffic and industry of the Barthe company are in yerba and building timber.

Some of the logs are brought down from the interior of Paraguay over the Central Paraguay Railroad to Villa Encarnacion, opposite Posadas, and there unloaded and floated across the Paraná to the sawmill. This is done at less expense than to continue the haul by freight into Argentina.

Timber and yerba are also brought down the Upper Paraná from the numerous Barthe ports in Paraguay.

Raul and Anibal Felipe Barthe who operate at Posadas have spent years in France and sometime in the States, where they attended school one of them at the University of Pennsylvania. They speak English perfectly and are pro-ally and are good business men.

While at Posadas awaiting the boat for Igazu a trip was made to the Jesuit ruins at San Ignacio, about 55 kilometers up the Paraná. The trip was made in the motor boat of the Sub-Prefecto of the port, Sr. Julio Benavides. The landing was made at Puerto Viejo, and then the trip was continued in a two-wheeled native cart to San Ignacio. San Ignacio was built by the Spanish Jesuits about 300 years ago, who came down across South America from the North West, Peru. The old mission covers several acres, showing outline of seminary cells, courts, chapel and a large plaza inclosed by stone walls. The carvings are very good and after the Gothic style of architecture. The mission flourished for many years till destroyed by the Portuguese invasion from Brazil. At San Ignacio a protestant evangelist was seen conducting a mission amongst the natives.

A visit was also made to the Agriculture School about three kilometers from Posadas. This school is supported by the Federal Government. There are 22 students between the ages of 15 and 17. Instruction was being given in modern agriculture, and that which pertains to that locality such as yerba, oranges, tobacco, hog raising, etc. There were some imported hogs from the United States. While the school was primitive there was enthusiasm and interest.

On the TEMBEY which arrived at Posadas on August 31 from the Upper Paraná was a German by the name of MAYSCHUSSEN. He had lived for many years at a settlement of the same name in Paraguay, the port of which is VAQUARAZAPÁ. It is said that he has about 200 native Guarani Indians under him, whom he has taught to read and write German and Spanish besides their native tongue. He was on his way to Buenos Aires with two of his Indians. It is said that he is the President of the Argentino-German Club, with headquarters in Buenos Aires. He is working in the interest of German immigration to Paraguay. Attention is invited to the similarity of MAYSCHUSSEN's name and that of HERR FREDERICK MAYNTZHUSEN mentioned in the Literary Digest of April 13, 1919, page 19 on New Invasions planned by Germany.

There was a wireless station at Posadas (see Wireless Report to be forwarded later).

A new Federal Hospital containing wards for contagious diseases is being constructed.

Upper Paraná

On September 3 at 4.35 p.m. I left on the Tembey for Puerto Aguirre. The boat stopped (anchored) at Villa Encarnacion, across from Posadas to take on passengers and freight and then proceeded up the river.

The Upper Paraná from Posadas to Corpus at the 1683 kilometer mark (from Buenos Aires via river) is more or less wide and shallow, and the channel is very narrow (quite so in places) tortuous and dangerous. Traveling is not done during a fog, which is more or less common in the early morning at certain seasons of the year. The Upper Paraná is not chartered.

Above Corpus however the river is quite deep and V shaped, measuring as much as 450' in depth. It is possible at almost anywhere

to run alongside the shore with the steamer. The current is swift, from 3 to 4 miles an hour, full of eddies and whirlpools. The banks above Corpus are high, about 75' as an average, but many places much higher. They are covered with thick forests and underbrush.

The boat probably makes 30 stops during the trip, day and night, taking on and letting off passengers and freight. Landings at ports are made from smaller boats, lashed to the sides of the steamer. At Leon, Argentina, there is a sawmill, and carpenter shop. The plant is electrically lighted.

The principal products of Upper Misiones are timber and wood dyes. The Territory of Misiones received a certificate from the Colombian Exposition in 1903 for the several hundred different woods for lumber and dyes---that it exhibited there.

Nacunday is the principal Barthe port in Paraguay. Here are the Nacunday River and Nacunday Falls about 400 yards from the Paraná River. Yerba and timber are brought down from the interior of Paraguay to this port. There is a large sawmill here, electrically lighted and an incline cable railroad runs from the Paraná River to the steep bank above operated by a windlass worked by man or horse power. A narrow gauge track connects the Upper landing place with the sawmill still higher on the banks and about 100 yards from the river and opposite the upper Nacunday. The Nacunday Falls are about 50' high and 75' wide and there is an immense amount of water coming over whose power could well be utilized.

A 75 cm. railroad is being built by the Barthe Company from Arroyo Pirayuy, north of Kilometer 1701, to Nacunday. This line will extend into the interior about 80 km. About 30 km. have already been built.

Puerto Aguirre.

Arrived at Puerto Aguirre at 5.00 a.m. September 5. As the boat was to proceed up the Paraná, I had to disembark promptly.

Puerto Aguirre is on the Iguazú River about a quarter of a mile from where it empties into the Upper Paraná. From here can be seen at the same time, Argentina, Brazil and Paraguay, separated by the two rivers. On the high ground in Argentina, just above the junction of the Iguazú and Paraná Rivers can be seen the international boundary monument. The house of the Captain of the port is also located here. The hotel here is of the rudest kind, built of rough timber and very poorly constructed. It is likewise infested with rats. There are about 5 rooms, besides kitchen, but it accommodates as many people that can be crowded into it. There are two houses and a wireless station at Puerto Aguirre. (See Wireless Report later.)

At 7.35 a.m. I left for the Chalet del Salto----20 kilometers distant. There is one automobile for 3 passengers, two very dilapidated stage coaches for 7 passengers each, and riding horses. The coaches are drawn by six mules, natives riding the near swing and lead mules; a driver in the seat directs the operations. The road is through a blazed wood virgin forest and underbrush. It is not so bad but possibly impassable in very bad weather. The soil is sticky red clay characteristic of Misiones.

At 9.50 a.m. we arrived at the Chalet. The accommodations were not quite so poor as at Puerto Aguirre, and I was fortunate enough to be quartered in the house of the Comisaria (police). The table was good.

If good hotels were opened in the Upper Paraná, it would undoubtedly tend to attract visitors. Hotels could be built more or less on the lines of those in Western United States in the mountain summer resorts.

A representative of the International Express Co. (similar to the Cook) told me that within the last week an American asked him what he thought of the proposition and the success of building a

hotel at Iguazú Falls. It is possible that a project may be set up as the International Express Co. is much in favor of it and possibly will put it through.

Iguazú Falls

During the day, September 5, a trip was made to the Lower Iguazú (below the falls) where a distant view only could be obtained of the Garganta del Diablo. All points as indicated by black dots on map were visited by me. Kodaks were taken which show for themselves.

The Falls are 3500 meters in width, extending from the Brazilian side in the shape of a curved handle or crook of a cane, to the Argentine side at the chalet. It is 65 meters at the highest fall. The falls, however, except at a few points, at the Garganta del Diablo are not continuous, that is, there is more than one fall or leap. As seen by the map, Argentina owns considerably more of the Falls than Brazil. The dividing line is taken as the center of the Upper Iguazú, and it will be noted that the mass of water appearing on the map is back water, shallow, but full of rapids and whirlpools. There is no danger however of approaching the falls in its apparently most dangerous places as there is a rim of rocks extending around and holding the mass of water in check.

On the following day, September 6, I visited the main Falls indicated by dot on the rocks close to the east of the map. The route was opposite to that indicated by the arrows. The course was through and across the rapids where it was necessary twice to get out on the rocks and walk above the rapids while the boat was pulled up through the stream.

From the position finally reached, an excellent view could be obtained of the Garganta del Diablo. All the islands in the basin are covered with trees or underbrush as well as all the surrounding country. The Brazilian side is very much higher than the Argentine. There were no mosquitos, on account of there being no place where they could breed, all water fresh and running. There are several insects which are quite annoying. One is the Bariquí. It resembles a fly, but is smaller and brown in color. It is noiseless and more or less invisible. The bite raises at times a blood blister. It attacks the hands and face, the itching is very annoying especially on the face when one is required to shave, for in this operation all "bites" are opened up and the blood flows profusely. The other insect is the "bicho colorado" (p. 484 Diccionario.) It is very small almost invisible. It bores under the skin, and sometimes under the toenails, and the result is very aggravating.

There are wild animals in the nearby mountains or hills, such as deer, wild hog, tapir, etc. also ducks and birds.

It is rather difficult to make a comparison of the Iguazú Falls with Niagara Falls. The latter is 48.8 meters high and 1600 meters wide, not as high or wide as the former. The shapes are different. The Iguazú is more picturesque while the Niagara is more majestic.

The water above the Iguazú Falls measures about 80 centimeters; no estimate is given as to the horse power. The blue print prepared by a Spanish Company showing a plan of transmitting the power is attached. It explains itself. It is considered feasible to carry the power as far as indicated, but the Argentines think only in terms of Buenos Aires, that is, what cannot be done for Buenos Aires is hardly worth considering; so if the power cannot be transmitted economically to Buenos Aires nothing will probably be done. They cannot conceive that it is worth the trouble and expense to develop the industry of other cities and sections and

make a general improvement of their country. Buenos Aires is Argentina.

A plan is thought of to cut a canal from the Upper Iguazú River to the lower as indicated on German map which would give a fall of about 100 meters.

It is my opinion that nothing will be done, at least for many years for the development and utilization of the Falls on account of the expense, which would probably cost many tens of millions gold. It is thought that with the discovery of petroleum in the Republic together with the interest and money involved, that power can be developed more economically, and more return for the money than investing in the Iguazu Falls.

Señor Honorio Pueyrredón, Minister of Foreign Affairs is taking a great deal of interest in the exploitation of the Falls and he believes that it is feasible, but the majority of the citizens with whom I have talked think not, for the present at least.

One of the guides at Iguazú who was more or less attentive to me informed me that he had been there four years having come from Corrientes; that he did not like it, that he had not been able to get away as the patron(comisario) kept him in debt all of the time; that while he was paid a peso a day, he never saw the money; that he was charged for instance, 5 pesos for an ordinary shirt. He did not leave for he had no money to pay his indebtedness and for steamer fare. He could neither read nor write. This is an incident merely of landlord slavery which probably exists everywhere to a more or less degree.

Encarnación

On September 9, I made an informal visit to Villa Encarnación, Paraguay, opposite Posadas. There I met the Customs Administrator, Augusto Fernández. In company with him, I visited the Railroad Station of Central Paraguay which is new and in excellent condition. It is built of brick.

Villa Encarnación has a population of 6000, and it is estimated that there are 12,000 in the surrounding district; and 27,000 in department (county).

The garrison was also visited, consisting of 650 Infantry and Artillery.

Attention is invited to the Kodaks of the dock. The dock was constructed by a German company, and is of concrete. It has served of no purpose as the water (river) at end of pier is too shallow for boats of the lightest draft, 800' long.

Wireless Stations

There are wireless stations at Posadas, Villa Encarnación (Paraguay) and Puerto Aguirre.

All of these plants as far as I could learn have the same equipment: Siemens-Schuckert---220 volts; 11.5 amperes; 1500 Tauren; Frausen; 3.5 KW. The towers are about 120 feet high and have 6 antennas.

Their radius is about 250 miles, but at night under favorable conditions, they can send and receive from Bahia Blanca, Argentina.